



**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	53,869,995		53,869,995	52,644,389
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....	12,471,944		12,471,944	9,902,170
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$....1,813,598, Schedule E-Part 1), cash equivalents (\$....3,099,031, Schedule E-Part 2) and short-term investments (\$.....0, Schedule DA).....	4,912,630		4,912,630	4,025,727
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....	1,630,307		1,630,307	1,416,404
9. Receivables for securities.....			0	14,001
10. Securities lending reinvested collateral assets (Schedule DL).....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	72,884,876	0	72,884,876	68,002,691
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	405,490		405,490	443,219
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	1,986,163	465	1,985,698	1,765,420
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	1,372,869		1,372,869	3,125,959
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	259,177		259,177	634,333
16.2 Funds held by or deposited with reinsured companies.....	6,927,768		6,927,768	6,201,138
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	325,317
18.2 Net deferred tax asset.....	2,789,727	1,090,124	1,699,603	1,592,666
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....	13,789	7,883	5,905	61,072
21. Furniture and equipment, including health care delivery assets (\$.....0).....	198	198	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	1,075		1,075	1,109
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other-than-invested assets.....	75,832	46,742	29,090	395,058
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	86,716,964	1,145,413	85,571,551	82,547,983
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTAL (Lines 26 and 27).....	86,716,964	1,145,413	85,571,551	82,547,983

**DETAILS OF WRITE-INS**

1101.....			0	
1102.....			0	
1103.....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Pooled general expenses receivable.....	29,090		29,090	395,058
2502. Automobiles.....	27,357	27,357	0	
2503. Miscellaneous receivables.....	10,231	10,231	0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	9,155	9,155	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	75,832	46,742	29,090	395,058

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	33,131,404	32,457,995
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	1,050,904	1,243,241
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	5,778,686	5,901,460
4. Commissions payable, contingent commissions and other similar charges.....	854,921	890,270
5. Other expenses (excluding taxes, licenses and fees).....	1,578,929	1,594,445
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	246,936	275,715
7.1 Current federal and foreign income taxes (including \$....3,969 on realized capital gains (losses)).....	190,182	.....
7.2 Net deferred tax liability.....	.....	.....
8. Borrowed money \$.....0 and interest thereon \$.....0.....	.....	.....
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$....2,422,870 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act).....	10,459,353	10,111,825
10. Advance premium.....	15,167	56,155
11. Dividends declared and unpaid:		
11.1 Stockholders.....	.....	.....
11.2 Policyholders.....	36,759	96,996
12. Ceded reinsurance premiums payable (net of ceding commissions).....	432,981	990,323
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20).....	1,416,779	3,139,451
14. Amounts withheld or retained by company for account of others.....	23,560	23,560
15. Remittances and items not allocated.....	65,558	45,332
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 3, Column 78).....	.....	.....
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	.....	.....
18. Drafts outstanding.....	.....	.....
19. Payable to parent, subsidiaries and affiliates.....	89,308	322,737
20. Derivatives.....	.....	.....
21. Payable for securities.....	250,898	.....
22. Payable for securities lending.....	.....	.....
23. Liability for amounts held under uninsured plans.....	.....	.....
24. Capital notes \$.....0 and interest thereon \$.....0.....	.....	.....
25. Aggregate write-ins for liabilities.....	951,997	569,533
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	56,574,324	57,719,038
27. Protected cell liabilities.....	.....	.....
28. Total liabilities (Lines 26 and 27).....	56,574,324	57,719,038
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	3,000,000	3,000,000
31. Preferred capital stock.....	.....	.....
32. Aggregate write-ins for other-than-special surplus funds.....	0	0
33. Surplus notes.....	.....	.....
34. Gross paid in and contributed surplus.....	18,246,000	18,246,000
35. Unassigned funds (surplus).....	7,751,226	3,582,946
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....	.....	.....
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....	.....	.....
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	28,997,226	24,828,946
38. TOTAL (Page 2, Line 28, Col. 3).....	85,571,550	82,547,983

**DETAILS OF WRITE-INS**

2501. Pooled general expenses payable.....	336,754	429,685
2502. Escheatable funds.....	319,210	112,050
2503. Miscellaneous liabilities.....	296,033	27,798
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	951,997	569,533
2901. .....	.....	.....
2902. .....	.....	.....
2903. .....	.....	.....
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	0	0
3201. .....	.....	.....
3202. .....	.....	.....
3203. .....	.....	.....
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above).....	0	0

# CONSUMERS INSURANCE USA, INC.

## STATEMENT OF INCOME

	1 Current Year	2 Prior Year
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 35, Column 4).....	22,600,554	22,822,218
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7).....	12,201,933	12,398,643
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	3,401,434	3,175,818
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	7,458,818	7,453,026
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	23,062,185	23,027,486
7. Net income of protected cells.....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	(461,631)	(205,268)
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	1,971,373	1,340,387
10. Net realized capital gains (losses) less capital gains tax of \$....(1,801) (Exhibit of Capital Gains (Losses)).....	20,700	50,841
11. Net investment gain (loss) (Lines 9 + 10).....	1,992,074	1,391,228
<b>OTHER INCOME</b>		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$....42,015).....	(42,015)	(27,173)
13. Finance and service charges not included in premiums.....	79,011	76,601
14. Aggregate write-ins for miscellaneous income.....	429	(14,167)
15. Total other income (Lines 12 through 14).....	37,425	35,261
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	1,567,867	1,221,222
17. Dividends to policyholders.....	58,870	142,598
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	1,508,998	1,078,623
19. Federal and foreign income taxes incurred.....	(17,597)	526,248
20. Net income (Line 18 minus Line 19) (to Line 22).....	1,526,595	552,375
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	24,828,946	26,202,385
22. Net income (from Line 20).....	1,526,595	552,375
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$....503,567.....	1,894,399	(1,654,341)
25. Change in net unrealized foreign exchange capital gain (loss).....		
26. Change in net deferred income tax.....	(280,819)	367,793
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	1,028,106	(639,267)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....		
29. Change in surplus notes.....		
30. Surplus (contributed to) withdrawn from Protected Cells.....		
31. Cumulative effect of changes in accounting principles.....		
32. Capital changes:		
32.1 Paid in.....		
32.2 Transferred from surplus (Stock Dividend).....		
32.3 Transferred to surplus.....		
33. Surplus adjustments:		
33.1 Paid in.....		
33.2 Transferred to capital (Stock Dividend).....		
33.3. Transferred from capital.....		
34. Net remittances from or (to) Home Office.....		
35. Dividends to stockholders.....		
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....		
37. Aggregate write-ins for gains and losses in surplus.....	0	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	4,168,280	(1,373,439)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	28,997,226	24,828,946

### DETAILS OF WRITE-INS

0501.....		
0502.....		
0503.....		
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above).....	0	0
1401. Miscellaneous income or expense.....	5,629	
1402. Penalties and assessments.....	(5,200)	(10,775)
1403. Gain/(loss) on equipment disposals.....		(3,392)
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	429	(14,167)
3701.....		
3702.....		
3703.....		
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above).....	0	0

# CONSUMERS INSURANCE USA, INC.

## CASH FLOW

	1 Current Year	2 Prior Year
<b>CASH FROM OPERATIONS</b>		
1. Premiums collected net of reinsurance.....	21,528,487	21,570,356
2. Net investment income.....	2,509,812	1,671,185
3. Miscellaneous income.....	37,425	35,261
4. Total (Lines 1 through 3).....	24,075,724	23,276,803
5. Benefit and loss related payments.....	11,440,727	(6,761,457)
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	10,788,563	6,971,544
7. Commissions, expenses paid and aggregate write-ins for deductions.....	119,106	195,528
8. Dividends paid to policyholders.....	(534,897)	773,490
10. Total (Lines 5 through 9).....	21,813,499	1,179,104
11. Net cash from operations (Line 4 minus Line 10).....	2,262,224	22,097,698
<b>CASH FROM INVESTMENTS</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	19,866,487	24,429,654
12.2 Stocks.....	976,252	4,412,810
12.3 Mortgage loans.....	.....	.....
12.4 Real estate.....	.....	.....
12.5 Other invested assets.....	.....	141,464
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	65	541
12.7 Miscellaneous proceeds.....	14,001	18,192
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	20,856,805	29,002,660
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	21,547,942	46,776,224
13.2 Stocks.....	1,269,987	4,821,699
13.3 Mortgage loans.....	.....	.....
13.4 Real estate.....	.....	.....
13.5 Other invested assets.....	119,072	65,877
13.6 Miscellaneous applications.....	(250,898)	10,246
13.7 Total investments acquired (Lines 13.1 to 13.6).....	22,686,103	51,674,045
14. Net increase (decrease) in contract loans and premium notes.....	.....	.....
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(1,829,298)	(22,671,385)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	.....	.....
16.2 Capital and paid in surplus, less treasury stock.....	.....	.....
16.3 Borrowed funds.....	.....	.....
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	.....	.....
16.5 Dividends to stockholders.....	.....	.....
16.6 Other cash provided (applied).....	453,977	1,567,660
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	453,977	1,567,660
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	886,903	993,974
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	4,025,727	3,031,753
19.2 End of year (Line 18 plus Line 19.1).....	4,912,631	4,025,727

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001 .....	.....	.....
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**CONSUMERS INSURANCE USA, INC.**  
**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1 - PREMIUMS EARNED**

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire.....	.91,946	.69,878	.45,343	116,480
2. Allied lines.....	.85,099	.73,094	.43,824	114,369
3. Farmowners multiple peril.....	115,885	.55,489	.54,070	117,304
4. Homeowners multiple peril.....	1,775,221	1,061,683	.945,659	1,891,245
5. Commercial multiple peril.....	2,529,542	.953,174	1,326,879	2,155,837
6. Mortgage guaranty.....	0		0	0
8. Ocean marine.....	4,681	2,422	2,299	4,804
9. Inland marine.....	456,135	223,880	214,028	465,987
10. Financial guaranty.....	0		0	0
11.1 Medical professional liability - occurrence.....	0		0	0
11.2 Medical professional liability - claims-made.....	0		0	0
12. Earthquake.....	.33,043	18,730	.15,241	.36,533
13. Group accident and health.....	0		0	0
14. Credit accident and health (group and individual).....	0		0	0
15. Other accident and health.....	6		0	6
16. Workers' compensation.....	9,853,511	3,976,042	4,450,066	9,379,487
17.1 Other liability - occurrence.....	1,502,333	.899,013	.671,130	1,730,216
17.2 Other liability - claims-made.....	.40,534	3,842	.25,193	.19,184
17.3 Excess workers' compensation.....	0		0	0
18.1 Products liability - occurrence.....	.75,787	.57,862	.30,434	103,216
18.2 Products liability - claims-made.....	0		0	0
19.1, 19.2 Private passenger auto liability.....	1,350,574	.578,055	.497,889	1,430,740
19.3, 19.4 Commercial auto liability.....	2,440,301	1,084,155	1,156,689	2,367,766
21. Auto physical damage.....	2,250,027	1,008,641	.930,483	2,328,185
22. Aircraft (all perils).....	0		0	0
23. Fidelity.....	13,976	9,422	5,322	18,076
24. Surety.....	0		0	0
26. Burglary and theft.....	.30,770	12,442	.15,929	.27,283
27. Boiler and machinery.....	.15,243	12,336	.9,340	18,239
28. Credit.....	0		0	0
29. International.....	0		0	0
30. Warranty.....	0		0	0
31. Reinsurance - nonproportional assumed property.....	126,978	.6,891	.8,077	125,792
32. Reinsurance - nonproportional assumed liability.....	156,488	.4,774	11,457	149,805
33. Reinsurance - nonproportional assumed financial lines.....	0		0	0
34. Aggregate write-ins for other lines of business.....	0	0	0	0
35. TOTALS.....	22,948,082	10,111,825	10,459,353	22,600,554

**DETAILS OF WRITE-INS**

3401. ....	0		0	0
3402. ....	0		0	0
3403. ....	0		0	0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	0	0	0	0

**CONSUMERS INSURANCE USA, INC.**  
**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1A - RECAPITULATION OF ALL PREMIUMS**

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire.....	.45,343				.45,343
2. Allied lines.....	.43,824				.43,824
3. Farmowners multiple peril.....	.54,070				.54,070
4. Homeowners multiple peril.....	.945,659				.945,659
5. Commercial multiple peril.....	1,326,879				1,326,879
6. Mortgage guaranty.....					.0
8. Ocean marine.....	.2,299				.2,299
9. Inland marine.....	.214,028				.214,028
10. Financial guaranty.....					.0
11.1 Medical professional liability - occurrence.....					.0
11.2 Medical professional liability - claims-made.....					.0
12. Earthquake.....	.15,241				.15,241
13. Group accident and health.....					.0
14. Credit accident and health (group and individual).....					.0
15. Other accident and health.....					.0
16. Workers' compensation.....	.4,450,066				.4,450,066
17.1 Other liability - occurrence.....	.671,130				.671,130
17.2 Other liability - claims-made.....	.25,193				.25,193
17.3 Excess workers' compensation.....					.0
18.1 Products liability - occurrence.....	.30,434				.30,434
18.2 Products liability - claims-made.....					.0
19.1, 19.2 Private passenger auto liability.....	.497,889				.497,889
19.3, 19.4 Commercial auto liability.....	.1,156,689				.1,156,689
21. Auto physical damage.....	.930,483				.930,483
22. Aircraft (all perils).....					.0
23. Fidelity.....	.5,322				.5,322
24. Surety.....					.0
26. Burglary and theft.....	.15,929				.15,929
27. Boiler and machinery.....	.9,340				.9,340
28. Credit.....					.0
29. International.....					.0
30. Warranty.....					.0
31. Reinsurance - nonproportional assumed property.....	.8,077				.8,077
32. Reinsurance - nonproportional assumed liability.....	.11,457				.11,457
33. Reinsurance - nonproportional assumed financial lines.....					.0
34. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0
35. TOTALS.....	10,459,353	.0	.0	.0	10,459,353
36. Accrued retrospective premiums based on experience.....					
37. Earned but unbilled premiums.....					.0
38. Balance (sum of Lines 35 through 37).....					10,459,353

**DETAILS OF WRITE-INS**

3401. ....					.0
3402. ....					.0
3403. ....					.0
3498. Summary of remaining write-ins for Line 34 from overflow page	.0	.0	.0	.0	.0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	.0	.0	.0	.0	.0

(a) State here basis of computation used in each case:

**CONSUMERS INSURANCE USA, INC.**  
**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1B - PREMIUMS WRITTEN**

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....	181,924	91,946		180,796	1,128	.91,946
2. Allied lines.....		85,099				.85,099
3. Farmowners multiple peril.....		115,885				115,885
4. Homeowners multiple peril.....	384,103	1,775,221		376,212	7,891	1,775,221
5. Commercial multiple peril.....		2,529,542				2,529,542
6. Mortgage guaranty.....						0
8. Ocean marine.....		4,681				4,681
9. Inland marine.....	4,563	456,135		4,560	3	456,135
10. Financial guaranty.....						0
11.1 Medical professional liability - occurrence.....						0
11.2 Medical professional liability - claims-made.....						0
12. Earthquake.....	3,795	33,043		3,793	1	.33,043
13. Group accident and health.....						0
14. Credit accident and health (group and individual).....						0
15. Other accident and health.....		6				6
16. Workers' compensation.....		9,853,511				9,853,511
17.1 Other liability - occurrence.....	9,008	1,502,333		9,008		1,502,333
17.2 Other liability - claims-made.....		40,534				40,534
17.3 Excess workers' compensation.....						0
18.1 Products liability - occurrence.....		75,787				.75,787
18.2 Products liability - claims-made.....						0
19.1, 19.2 Private passenger auto liability.....	1,689,019	1,350,574		1,689,019		1,350,574
19.3, 19.4 Commercial auto liability.....	2,212,934	2,440,301		2,212,934		2,440,301
21. Auto physical damage.....	3,103,860	2,250,027		3,090,703	13,157	2,250,027
22. Aircraft (all perils).....						0
23. Fidelity.....		13,976				13,976
24. Surety.....						0
26. Burglary and theft.....		30,770				30,770
27. Boiler and machinery.....		15,243				15,243
28. Credit.....						0
29. International.....						0
30. Warranty.....						0
31. Reinsurance - nonproportional assumed property.....	XXX	126,978				126,978
32. Reinsurance - nonproportional assumed liability.....	XXX	156,488				156,488
33. Reinsurance - nonproportional assumed financial lines.....	XXX					0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
35. TOTALS.....	7,589,206	22,948,082	0	7,567,025	.22,181	22,948,082

**DETAILS OF WRITE-INS**

3401.....						0
3402.....						0
3403.....						0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [ ] No [X]

If yes: 1. The amount of such installment premiums \$.....0.

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$.....0.

**UNDERWRITING AND INVESTMENT EXHIBIT****PART 2 - LOSSES PAID AND INCURRED**

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire.....	304,260	.46,414	.304,260	.46,414	10,681	21,475	35,621	30.6
2. Allied lines.....		.77,438		.77,438	9,555	18,009	68,984	60.3
3. Farmowners multiple peril.....		.88,600		.88,600	13,846	24,090	78,356	66.8
4. Homeowners multiple peril.....	.64,058	1,152,133	.64,058	1,152,133	.296,963	.295,685	1,153,411	61.0
5. Commercial multiple peril.....		1,106,293		1,106,293	.770,486	.552,945	1,323,834	61.4
6. Mortgage guaranty.....					0	0	0	0.0
8. Ocean marine.....		2,662		2,662	.198	.135	.2,726	56.7
9. Inland marine.....	.20,439	.181,293	.20,439	.181,293	25,323	38,792	.167,823	36.0
10. Financial guaranty.....					0	0	0	0.0
11.1 Medical professional liability - occurrence.....					0	0	0	0.0
11.2 Medical professional liability - claims-made.....					0	0	0	0.0
12. Earthquake.....					0	0	0	0.0
13. Group accident and health.....					0	0	0	0.0
14. Credit accident and health (group and individual).....					0	0	0	0.0
15. Other accident and health.....		.7		.7	.(61)	.(61)	.7	127.0
16. Workers' compensation.....		4,121,409		4,121,409	.24,162,859	.24,006,193	.4,278,074	45.6
17.1 Other liability - occurrence.....		.733,788		.733,788	.2,433,131	.2,281,982	.884,937	51.1
17.2 Other liability - claims-made.....		.786		.786	.13,204	.2,382	.11,608	60.5
17.3 Excess workers' compensation.....					0	0	0	0.0
18.1 Products liability - occurrence.....		.82,042		.82,042	.284,754	.306,385	.60,411	58.5
18.2 Products liability - claims-made.....					0	0	0	0.0
19.1, 19.2 Private passenger auto liability.....	.1,832,749	.901,295	.1,832,749	.901,295	.1,035,290	.1,199,828	.736,757	51.5
19.3, 19.4 Commercial auto liability.....	4,798,545	.1,418,672	4,798,545	.1,418,672	3,352,667	.2,976,873	.1,794,467	75.8
21. Auto physical damage.....	1,338,900	.1,437,301	1,338,900	.1,437,301	.110,609	.163,129	.1,384,781	59.5
22. Aircraft (all perils).....					0	0	0	0.0
23. Fidelity.....		6,335		6,335	4,032	.5,977	.4,390	24.3
24. Surety.....					0	1,050	1,050	0.0
26. Burglary and theft.....		4,837		4,837	3,747	1,305	.7,280	26.7
27. Boiler and machinery.....		.800		.800	.6,739	.7,906	.(367)	(2.0)
28. Credit.....					0	0	0	0.0
29. International.....					0	0	0	0.0
30. Warranty.....					0	0	0	0.0
31. Reinsurance - nonproportional assumed property.....	.XXX.	.119,311		.119,311	.151,150	.154,800	.115,661	91.9
32. Reinsurance - nonproportional assumed liability.....	.XXX.	.47,108		.47,108	.445,180	.399,117	.93,171	62.2
33. Reinsurance - nonproportional assumed financial lines.....	.XXX.			0	0	0	0	0.0
34. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	0	0	0	0.0
35. TOTALS.....	8,358,950	11,528,524	8,358,950	11,528,524	.33,131,404	.32,457,995	.12,201,933	54.0
<b>DETAILS OF WRITE-INS</b>								
3401. ....					0	0	0	0.0
3402. ....					0	0	0	0.0
3403. ....					0	0	0	0.0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	.0	.0	.0	.0	0	0	0	.XXX.
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	.0	.0	.0	.0	0	0	0	0.0

**UNDERWRITING AND INVESTMENT EXHIBIT****PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES**

Line of Business	Reported Losses				Incurred But Not Reported			8	9
	1	2	3	4	5	6	7		
	Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1. Fire.....		3,465		3,465	12,601	7,217	12,601	10,681	(1,727)
2. Allied lines.....		6,212		6,212		3,344		9,555	(2,870)
3. Farmowners multiple peril.....		8,847		8,847		4,999		13,846	536
4. Homeowners multiple peril.....		176,967		176,967	17,655	119,997	17,655	296,963	50,482
5. Commercial multiple peril.....		480,062		480,062		290,424		770,486	120,356
6. Mortgage guaranty.....				0				0	
8. Ocean marine.....		12		12		186		198	3
9. Inland marine.....		8,331		8,331		16,992		25,323	7,137
10. Financial guaranty.....				0				0	
11.1 Medical professional liability - occurrence.....				0				0	
11.2 Medical professional liability - claims-made.....				0				0	
12. Earthquake.....				0				0	
13. Group accident and health.....				0				(a). 0	
14. Credit accident and health (group and individual).....				0				0	
15. Other accident and health.....				0		(61)		(a). (61)	
16. Workers' compensation.....		11,733,089		11,733,089		12,429,769		24,162,859	3,362,643
17.1 Other liability - occurrence.....		1,060,960		1,060,960		1,372,172		2,433,131	1,149,694
17.2 Other liability - claims-made.....		3,993		3,993		9,212		13,204	5,240
17.3 Excess workers' compensation.....				0				0	
18.1 Products liability - occurrence.....		92,455		92,455		192,299		284,754	170,155
18.2 Products liability - claims-made.....				0				0	
19.1, 19.2 Private passenger auto liability.....	1,138,200	.689,498	1,138,200	.689,498	.431,000	345,792	.431,000	1,035,290	180,617
19.3, 19.4 Commercial auto liability.....	.6,724,574	1,810,686	.6,724,574	1,810,686	3,161,000	1,541,981	3,161,000	3,352,667	751,759
21. Auto physical damage.....	.244,227	.110,392	.244,227	.110,392		.217		.110,609	(31,394)
22. Aircraft (all perils).....				0				0	
23. Fidelity.....		126		126		3,906		4,032	1,239
24. Surety.....		1,050		1,050				1,050	
26. Burglary and theft.....		2,715		2,715		1,032		3,747	.477
27. Boiler and machinery.....		6,739		6,739				6,739	1,028
28. Credit.....				0				0	
29. International.....				0				0	
30. Warranty.....				0				0	
31. Reinsurance - nonproportional assumed property.....	XXX	122,145		122,145	XXX	29,005		151,150	3,292
32. Reinsurance - nonproportional assumed liability.....	XXX	154,063		154,063	XXX	.291,117		445,180	10,020
33. Reinsurance - nonproportional assumed financial lines.....	XXX	0		0	XXX	0		0	
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0	0
35. TOTALS.....	8,107,001	16,471,805	8,107,001	16,471,805	3,622,256	.16,659,599	3,622,256	.33,131,404	5,778,686

**DETAILS OF WRITE-INS**

3401. ....					0				0
3402. ....					0				0
3403. ....					0				0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0	0	0	0

(a) Including \$.....0 for present value of life indemnity claims.

**CONSUMERS INSURANCE USA, INC.**  
**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 3 - EXPENSES**

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct.....	193,749			193,749
1.2 Reinsurance assumed.....	1,161,395			1,161,395
1.3 Reinsurance ceded.....	193,749			193,749
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	1,161,395	0	0	1,161,395
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		1,141,581		1,141,581
2.2 Reinsurance assumed, excluding contingent.....		2,972,694		2,972,694
2.3 Reinsurance ceded, excluding contingent.....		1,141,581		1,141,581
2.4 Contingent - direct.....		31,206		31,206
2.5 Contingent - reinsurance assumed.....		213,389		213,389
2.6 Contingent - reinsurance ceded.....		31,206		31,206
2.7 Policy and membership fees.....				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	0	3,186,083	0	3,186,083
3. Allowances to manager and agents.....		184		184
4. Advertising.....		194,061		194,061
5. Boards, bureaus and associations.....	17,783	106,697	1,836	126,316
6. Surveys and underwriting reports.....	16,915	104,896	2,312	124,123
7. Audit of assureds' records.....	2,594	3,301		5,894
8. Salary and related items:				
8.1 Salaries.....	1,180,979	1,611,569	38,261	2,830,809
8.2 Payroll taxes.....	74,594	87,744	30	162,368
9. Employee relations and welfare.....	308,253	404,870	5,094	718,217
10. Insurance.....	16,346	24,969	373	41,688
11. Directors' fees.....	16,161	36,730	5,518	58,410
12. Travel and travel items.....	47,603	146,945	5,521	200,069
13. Rent and rent items.....	172,166	58,345	1,407	231,918
14. Equipment.....	204,187	279,430	5,153	488,771
15. Cost or depreciation of EDP equipment and software.....	159,147	175,857	1,852	336,856
16. Printing and stationery.....	9,558	15,976	221	25,754
17. Postage, telephone and telegraph, exchange and express.....	61,658	77,322	3,098	142,079
18. Legal and auditing.....	27,098	25,230	87,517	139,844
19. Totals (Lines 3 to 18).....	2,315,041	3,354,125	158,194	5,827,360
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....599.....		481,124		481,124
20.2 Insurance department licenses and fees.....		68,522		68,522
20.3 Gross guaranty association assessments.....		21,204		21,204
20.4 All other (excluding federal and foreign income and real estate).....		9,426		9,426
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	580,276	0	580,276
21. Real estate expenses.....			1,962	1,962
22. Real estate taxes.....				0
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	(75,003)	338,334	3,551	266,882
25. Total expenses incurred.....	3,401,434	7,458,818	163,707	(a) 11,023,959
26. Less unpaid expenses - current year.....	5,778,686	2,670,562	1,485,524	9,934,772
27. Add unpaid expenses - prior year.....	5,901,460	2,749,126	11,293	8,661,878
28. Amounts receivable relating to uninsured plans, prior year.....				0
29. Amounts receivable relating to uninsured plans, current year.....				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....	3,524,207	7,537,382	(1,310,524)	9,751,065

**DETAILS OF WRITE-INS**

2401. Consulting Fees.....	116,954	175,819	3,218	295,992
2402. Reinsurance Assumed Overhead.....		66,724		66,724
2403. Donations and Contributions.....		43,463		43,463
2498. Summary of remaining write-ins for Line 24 from overflow page.....	(191,957)	52,327	332	(139,298)
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above).....	(75,003)	338,334	3,551	266,882

(a) Includes management fees of \$.....0 to affiliates and \$.....0 to non-affiliates.

**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....158,703	.....135,319
1.1 Bonds exempt from U.S. tax.....	(a).....446,555	.....361,622
1.2 Other bonds (unaffiliated).....	(a).....866,628	.....946,986
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....481,246	.....481,545
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....97,447	.....87,379
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....119,072	.....119,072
9. Aggregate write-ins for investment income.....	.....3,158	.....3,158
10. Total gross investment income.....	.....2,172,809	.....2,135,080
11. Investment expenses.....	.....	(g).....163,707
12. Investment taxes, licenses and fees, excluding federal income taxes.....	.....	(g).....
13. Interest expense.....	.....	(h).....
14. Depreciation on real estate and other invested assets.....	.....	(i).....0
15. Aggregate write-ins for deductions from investment income.....	.....	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....163,707
17. Net investment income (Line 10 minus Line 16).....	.....	.....1,971,373

**DETAILS OF WRITE-INS**

0901. Miscellaneous income.....	.....239	.....239
0902. Security lending income.....	.....	.....
0903. Prior year income.....	.....2,919	.....2,919
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	.....3,158	.....3,158
1501. ....	.....	.....
1502. ....	.....	.....
1503. ....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page.....	.....	.....0
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above).....	.....	.....0

- (a) Includes \$....59,019 accrual of discount less \$....560,797 amortization of premium and less \$....38,703 paid for accrued interest on purchases.  
 (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.  
 (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.  
 (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.  
 (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.  
 (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.  
 (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.  
 (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.  
 (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	.....14,970	.....	.....14,970	.....6,170	.....
1.1 Bonds exempt from U.S. tax.....	.....48,623	.....	.....48,623	.....	.....
1.2 Other bonds (unaffiliated).....	.....(23,833)	.....	.....(23,833)	.....	.....
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	.....(20,901)	.....	.....(20,901)	.....2,296,940	.....
2.21 Common stocks of affiliates.....	.....	.....	.....0	.....	.....
3. Mortgage loans.....	.....	.....	.....0	.....	.....
4. Real estate.....	.....	.....	.....0	.....	.....
5. Contract loans.....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....40	.....	.....40	.....26	.....
7. Derivative instruments.....	.....	.....	.....0	.....	.....
8. Other invested assets.....	.....	.....	.....0	.....94,831	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....18,899	.....0	.....18,899	.....2,397,966	.....0

**DETAILS OF WRITE-INS**

0901. ....	.....	.....	.....0	.....	.....
0902. ....	.....	.....	.....0	.....	.....
0903. ....	.....	.....	.....0	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	.....0	.....0	.....0	.....0	.....0

**EXHIBIT OF NONADMITTED ASSETS**

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			0
2.1 Preferred stocks.....			0
2.2 Common stocks.....			0
3. Mortgage loans on real estate (Schedule B):			0
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			0
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....			0
9. Receivables for securities.....			0
10. Securities lending reinvested collateral assets (Schedule DL).....			0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	0	0	0
13. Title plants (for Title insurers only).....			0
14. Investment income due and accrued.....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	465	666	201
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			0
15.3 Accrued retrospective premiums and contracts subject to redetermination.....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			0
16.2 Funds held by or deposited with reinsured companies.....			0
16.3 Other amounts receivable under reinsurance contracts.....			0
17. Amounts receivable relating to uninsured plans.....			0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0
18.2 Net deferred tax asset.....	1,090,124	1,981,445	891,321
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....	7,883	13,796	5,913
21. Furniture and equipment, including health care delivery assets.....	198	323	125
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0
23. Receivables from parent, subsidiaries and affiliates.....			0
24. Health care and other amounts receivable.....			0
25. Aggregate write-ins for other-than-invested assets.....	46,742	177,289	130,547
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	1,145,413	2,173,518	1,028,106
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	1,145,413	2,173,518	1,028,106

**DETAILS OF WRITE-INS**

1101.....			0
1102.....			0
1103.....			0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0
2501. Miscellaneous receivables.....	.10,231	121,252	111,021
2502. Automobiles.....	.27,357	35,828	8,471
2503. Leasehold improvements.....	9,155	11,116	1,961
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	9,093	9,093
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	46,742	177,289	130,547

**NOTES TO FINANCIAL STATEMENTS****Note 1 – Summary of Significant Accounting Policies and Going Concern****A. Accounting Practices**

This statement has been completed in accordance with the accounting practices and procedures prescribed or permitted by the National Association of Insurance Commissioners (NAIC) and the State of Ohio. A reconciliation of the company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Ohio is shown below.

	SSAP #	F/S Page	F/S Line #	2019	2018
<b>NET INCOME</b>					
(1) Company state basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ 1,526,595	\$ 552,375
(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP					
				\$	\$
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP					
				\$	\$
(4) NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	\$ 1,526,595	\$ 552,375
<b>SURPLUS</b>					
(5) Company state basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 28,997,226	\$ 24,828,946
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP					
				\$	\$
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP					
				\$	\$
(8) NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	\$ 28,997,226	\$ 24,828,946

The preparation of financial statements in conformity with Statutory Accounting Principles as described in the NAIC Annual Statement Instructions and the Accounting Policies and Procedures Manual requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

**B. Use of Estimates in the Preparation of the Financial Statement**

The preparation of financial statements in conformity with Statutory Accounting Principles as described in the NAIC Annual Statement Instructions and the Accounting Policies and Procedures Manual requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

**C. Accounting Policy**

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by daily and pro rata methods for direct business and are based on reports received from ceding companies and/or pools for assumed business.

- (1) Basis for Short-Term Investments  
Short-term investments consist of class 1 money market mutual funds, agencies, and treasury bonds. Short term investments are stated at amortized cost.
- (2) Basis for Bonds and Amortization Schedule  
Bonds not backed by other loans are stated at amortized cost using the scientific amortization method.
- (3) Basis for Common Stocks  
Common Stocks are valued at market.
- (4) Basis for Preferred Stocks  
Preferred stocks are stated in accordance with the guidance provided in SSAP No. 32: Investments in Preferred Stock.
- (5) Basis for Mortgage Loans  
The Company did not have any mortgage loans.
- (6) Basis for Loan-Backed Securities and Adjustment Methodology  
Loan-backed securities are stated in accordance with the guidance provided in SSAP No. 43R: Loan-backed and Structured Securities. The retrospective adjustment method is used to value these securities
- (7) Accounting Policies for Investments in Subsidiaries, Controlled and Affiliated Entities  
The Company does not have any investments in subsidiaries or affiliates
- (8) Accounting Policies for Investments in Joint Ventures, Partnerships and Limited Liability Entities  
The Company has investments in limited partnerships and limited liability companies. In accordance with SSAP No. 48: Joint Ventures, Partnerships and Limited Liability Companies, the investments are recorded using the equity method of accounting based on the underlying audited U.S. GAAP equity values of the holdings. The company also has partnership investments in low income housing tax credit properties. In accordance with SSAP No. 93: Accounting for Low Income Housing Tax Credit Property Investments, the investments are reported at amortized cost.
- (9) Accounting Policies for Derivatives  
The Company does not hold any derivative instruments.
- (10) Anticipated Investment Income Used in Premium Deficiency Calculation  
The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 53: Property/Casualty Contracts-Premiums

**NOTES TO FINANCIAL STATEMENTS****(11) Management's Policies and Methodologies for Estimating Liabilities for Losses and Loss/Claim Adjustment Expenses**

Unpaid loss and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based upon past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates. While management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability is continually reviewed and any adjustments reflected in the period determined.

**(12) Changes in the Capitalization Policy and Predefined Thresholds from Prior Period**

The Motorists Insurance Group standardized its thresholds for capitalization across all member companies. The Group also implemented updates for software licenses and maintenance agreements that allow amortization over service periods for material transactions.

**(13) Method Used to Estimate Pharmaceutical Rebate Receivables**

The Company has no pharmaceutical rebate receivables to report.

**D. Going Concern**

Management has concluded that there is no substantial doubt about the Company's ability to continue as a going concern.

**Note 2 – Accounting Changes and Correction of Errors**

The Motorists Insurance Group elected to freeze its defined pension and other non-qualified benefit plans effective December 31, 2017. In conjunction with this election, the company voluntarily changed the accounting for its benefit plans to a mark-to-market (MTM) valuation approach. Under the MTM accounting method, actuarial and asset valuation gains and losses are recognized immediately as current year net benefit costs in the Statement of Operations, rather than by amortizing (smoothing) the gains and losses over future calendar years.

**Note 3 – Business Combinations and Goodwill**

Not Applicable

**Note 4 – Discontinued Operations****A. Discontinued Operation Disposed of or Classified as Held for Sale**

Not Applicable

**Note 5 – Investments****A. Mortgage Loans, including Mezzanine Real Estate Loans**

Not Applicable

**B. Debt Restructuring**

Not Applicable

**C. Reverse Mortgages**

Not Applicable

**Loan-Backed Securities****(1) Description of Sources Used to Determine Prepayment Assumptions**

Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from broker dealer survey values and internal estimates.

**(2) Other-Than-Temporary Impairments**

Not Applicable

**(3) Recognized OTTI Securities**

Not Applicable

**(4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):**

a. The aggregate amount of unrealized losses:	1. Less than 12 Months	\$ 6,848
	2. 12 Months or Longer	\$
b. The aggregate related fair value of securities with unrealized losses:	1. Less than 12 Months	\$ 1,222,986
	2. 12 Months or Longer	\$

**(5) Information Investor Considered in Reaching Conclusion that Impairments are Not Other-Than-Temporary**

The Company performed an analysis of loan-backed securities and determined that exposure to credit risk was not a factor and did not warrant any other-than-temporary impairments.

**NOTES TO FINANCIAL STATEMENTS**

## E. Dollar Repurchase Agreements and/or Securities Lending Transactions

Not Applicable

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing  
Repurchase Transaction – Cash Taker – Overview of Secured Borrowing Transactions

Not Applicable

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing  
Repurchase Transactions – Cash Provider – Overview of Secured Borrowing Transactions

Not Applicable

H. Repurchase Agreements Transactions Accounted for as a Sale  
Repurchase Transaction – Cash Taker – Overview of Sale Transactions

Not Applicable

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale  
Repurchase Transaction – Cash Provider – Overview of Sale Transactions

Not Applicable

## J. Real Estate

Not Applicable

## K. Low-Income Housing Tax Credits (LIHTC)

Not Applicable

## L. Restricted Assets

The Company held other restricted assets as listed below:

## (1) Restricted Assets (Including Pledged)

Restricted Asset Category	Gross (Admitted & Nonadmitted)					6	7		
	Current Year								
	1 Total General Account (G/A)	2 G/A Supporting Protected Cell Account Activity (a)	3 Total Protected Call Account (S/A) Restricted Assets	4 Protected Cell Account Assets Supporting G/A Activity (b)	5 Total (1 plus 3)				
a. Subject to contractual obligation for which liability is not shown	\$	\$	\$	\$	\$	\$	\$		
b. Collateral held under security lending arrangements									
c. Subject to repurchase agreements									
d. Subject to reverse repurchase agreements									
e. Subject to dollar repurchase agreements									
f. Subject to dollar reverse repurchase agreements									
g. Placed under option contracts									
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock									
i. FHLB capital stock									
j. On deposit with states	6,726,284				6,726,284	4,003,919	2,722,364		
k. On deposit with other regulatory bodies									
l. Pledged as collateral to FHLB (including assets backing funding agreements)									
m. Pledged as collateral not captured in other categories									
n. Other restricted assets									
o. Total Restricted Assets	\$ 6,726,284	\$	\$	\$	\$ 6,726,284	\$ 4,003,919	\$ 2,722,364		

**NOTES TO FINANCIAL STATEMENTS**

Restricted Asset Category	Current Year			
	8 Total Nonadmitted Restricted	9 Total Admitted Restricted (5 minus 8)	Percentage	
			10 Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	11 Admitted Restricted to Total Admitted Assets (d)
			%	%
a. Subject to contractual obligation for which liability is not shown	\$	\$	%	%
b. Collateral held under security lending arrangements			%	%
c. Subject to repurchase agreements			%	%
d. Subject to reverse repurchase agreements			%	%
e. Subject to dollar repurchase agreements			%	%
f. Subject to dollar reverse repurchase agreements			%	%
g. Placed under option contracts			%	%
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock			%	%
i. FHLB capital stock			%	%
j. On deposit with states		6,726,284	7.8%	7.9%
k. On deposit with other regulatory bodies			%	%
l. Pledged as collateral to FHLB (including assets backing funding agreements)			%	%
m. Pledged as collateral not captured in other categories			%	%
n. Other restricted assets			%	%
o. Total Restricted Assets	\$	\$ 6,726,284	7.8%	7.9%

- (a) Subset of column 1
- (b) Subset of column 3
- (c) Column 5 divided by Asset Page, Column 1, Line 28
- (d) Column 9 divided by Asset Page, Column 3, Line 28

- (2) Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, are Reported in the Aggregate)
- (3) Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, such as Reinsurance and Derivatives, are Reported in the Aggregate)
- (4) Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements

## M. Working Capital Finance Investments

Not Applicable

## N. Offsetting and Netting of Assets and Liabilities

Not Applicable

## O. 5GI Securities

Not Applicable

## P. Short Sales

Not Applicable

## Q. Prepayment Penalty and Acceleration Fees

Not Applicable

**Note 6 – Joint Ventures, Partnerships and Limited Liability Companies**

- A. Investments in Joint Ventures, Partnerships and Limited Liability Companies that Exceed 10% of Ownership  
Not Applicable
- B. Investments in Impaired Joint Ventures, Partnerships and Limited Liability Companies  
Not Applicable

**NOTES TO FINANCIAL STATEMENTS****Note 7 – Investment Income**

- A. The bases, by category of investment income, for excluding (nonadmitting) any investment income due and accrued:

The Company does not admit investment income due and accrued if amounts are over 90 days past due.

- B. The total amount excluded:

Not Applicable

**Note 8 – Derivative Instruments**

Not Applicable

**Note 9 – Income Taxes**

- A. Deferred Tax Assets/(Liabilities)

## 1. Components of Net Deferred Tax Asset/(Liability)

	2019			2018			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Gross deferred tax assets	\$ 3,075,139	\$ 11,713	\$ 3,086,852	\$ 3,329,110	\$ 337,609	\$ 3,666,719	\$ (253,971)	\$ (325,896)	\$ (579,867)
b. Statutory valuation allowance adjustment									
c. Adjusted gross deferred tax assets (1a-1b)	\$ 3,075,139	\$ 11,713	\$ 3,086,852	\$ 3,329,110	\$ 337,609	\$ 3,666,719	\$ (253,971)	\$ (325,896)	\$ (579,867)
d. Deferred tax assets nonadmitted	1,090,124		1,090,124	1,643,837	337,608	1,981,445	(553,713)	(337,608)	(891,321)
e. Subtotal net admitted deferred tax asset (1c-1d)	\$ 1,985,015	\$ 11,713	\$ 1,996,728	\$ 1,685,273	\$ 1	\$ 1,685,274	\$ 299,742	\$ 11,712	\$ 311,454
f. Deferred tax liabilities	128,080	169,045	297,125	92,608		92,608	35,472	169,045	204,517
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	\$ 1,856,935	\$ (157,332)	\$ 1,699,603	\$ 1,592,665	\$ 1	\$ 1,592,666	\$ 264,270	\$ (157,333)	\$ 106,937

## 2. Admission Calculation Components SSAP No. 101

	2019			2018			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	\$	\$	\$	\$ 804,549	\$ 2,020	\$ 806,569	\$ (804,549)	\$ (2,020)	\$ (806,569)
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below)	1,699,600	1	1,699,601	786,099		786,099	913,501	1	913,502
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	1,699,600	1	1,699,601	786,099		786,099	913,501	1	913,502
2. Adjusted gross deferred tax assets allowed per limitation threshold			3,600,000			3,643,483			(43,483)
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax	285,414	11,712	297,126	92,608		92,608	192,806	11,712	204,518

**NOTES TO FINANCIAL STATEMENTS**

		2019			2018			Change	
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
liabilities									
d. Deferred tax assets admitted as the result of application of SSAP 101.									
Total (2(a)+2(b)+2(c))	\$ 1,985,014	\$ 11,713	\$ 1,996,727	\$ 1,683,256	\$ 2,020	\$ 1,685,276	\$ 301,758	\$ 9,693	\$ 311,451

## 3. Other Admissibility Criteria

		2019	2018
a. Ratio percentage used to determine recovery period and threshold limitation amount		749.6%	798.0%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above		\$ 27,297,623	\$ 24,289,889

## 4. Impact of Tax Planning Strategies

## (a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.

	2019		2018		Change	
	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col. 1-3) Ordinary	6 (Col. 2-4) Capital
1. Adjusted gross DTAs amount from Note 9A1(c)	\$ 3,075,139	\$ 11,713	\$ 3,329,110	\$ 337,609	\$ (253,971)	\$ (325,896)
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	%	%	0.8%	%	(0.8)%	%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	\$ 1,985,015	\$ 11,713	\$ 1,685,273	\$ 1	\$ 299,742	\$ 11,712
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	19.6%	%	1.6%	%	17.9%	%

(b) Does the company's tax planning strategies include the use of reinsurance? NO

## B. Deferred Tax Liabilities Not Recognized

1. The types of temporary differences for which a DTL has not been recognized and the types of events that would cause those temporary differences to become taxable are:  
Not Applicable

## C. Current and Deferred Income Taxes

## 1. Current Income Tax

	1 2019	2 2018	3 (Col 1-2) Change
a. Federal	\$ 35,574	\$ 526,248	\$ (490,674)
b. Foreign	\$	\$	\$
c. Subtotal	\$ 35,574	\$ 526,248	\$ (490,674)
d. Federal income tax on net capital gains	\$ (1,801)	\$ 6,169	\$ (7,970)
e. Utilization of capital loss carry-forwards	\$	\$	\$
f. Other	\$ (53,171)	\$	\$ (53,171)
g. Federal and Foreign income taxes incurred	\$ (19,398)	\$ 532,417	\$ (551,815)

**NOTES TO FINANCIAL STATEMENTS**

## 2. Deferred Tax Assets

	1 2019	2 2018	3 (Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	\$ 1,047,817	\$ 1,071,343	\$ (23,526)
2. Unearned premium reserve	439,930	427,055	12,875
3. Policyholder reserves			
4. Investments			
5. Deferred acquisition costs			
6. Policyholder dividends accrual	7,719	20,369	(12,650)
7. Fixed assets	3,476	5,507	(2,031)
8. Compensation and benefits accrual			
9. Pension accrual			
10. Receivables - nonadmitted	11,611	14,872	(3,261)
11. Net operating loss carry-forward	1,562,404	1,775,865	(213,461)
12. Tax credit carry-forward		12,621	(12,621)
13. Other (items <=5% and >5% of total ordinary tax assets)	2,182	1,478	704
Other (items listed individually >5% of total ordinary tax assets)			
99. Subtotal	\$ 3,075,139	\$ 3,329,110	\$ (253,971)
b. Statutory valuation allowance adjustment			
c. Nonadmitted	1,090,124	1,643,837	(553,713)
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	\$ 1,985,015	\$ 1,685,273	\$ 299,742
e. Capital:			
1. Investments	\$ 245	\$ 320,406	\$ (320,161)
2. Net capital loss carry-forward			
3. Real estate			
4. Other (items <=5% and >5% of total capital tax assets)	11,468	17,203	(5,735)
Other (items listed individually >5% of total capital tax assets)			
99. Subtotal	\$ 11,713	\$ 337,609	\$ (325,896)
f. Statutory valuation allowance adjustment			
g. Nonadmitted		337,608	(337,608)
h. Admitted capital deferred tax assets (2e99-2f-2g)	11,713	1	11,712
i. Admitted deferred tax assets (2d+2h)	\$ 1,996,728	\$ 1,685,274	\$ 311,454

## 3. Deferred Tax Liabilities

	1 2019	2 2018	3 (Col 1-2) Change
a. Ordinary:			
1. Investments	\$ 66,179	\$ 8,127	\$ 58,052
2. Fixed assets			
3. Deferred and uncollected premium	61,901	84,481	(22,580)
4. Policyholder reserves			
5. Other (items <=5% and >5% of total ordinary tax liabilities)			
Other (items listed individually >5% of total ordinary tax liabilities)			
99. Subtotal	\$ 128,080	\$ 92,608	\$ 35,472
b. Capital:			
1. Investments	\$ 169,045	\$	\$ 169,045
2. Real estate			
3. Other (items <=5% and >5% of total capital tax liabilities)			
Other (items listed individually >5% of total capital tax liabilities)			
99. Subtotal	\$ 169,045	\$	\$ 169,045
c. Deferred tax liabilities (3a99+3b99)	\$ 297,125	\$ 92,608	\$ 204,517
4. Net Deferred Tax Assets/Liabilities (2i – 3c)	\$ 1,699,603	\$ 1,592,666	\$ 106,937

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate Among the more significant book to tax adjustments were the following:

	Amount	Effective Tax Rate (%)
<b>Permanent Differences:</b>		
Provision computed at statutory rate	\$ 316,511	20.9%
Change in nonadmitted assets	28,725	1.9%
Proration of tax exempt investment income		%
Tax exempt income deduction	(56,982)	(3.8)%
Dividends received deduction	(8,072)	(0.5)%
Disallowable travel and entertainment	2,147	0.1%
Other permanent differences	2,243	0.2%
<b>Temporary Differences:</b>		
Total ordinary DTAs		%
Total ordinary DTLs		%

**NOTES TO FINANCIAL STATEMENTS**

	Amount	Effective Tax Rate (%)
Total capital DTAs		%
Total capital DTLs		%
<b>Other:</b>		
Statutory valuation allowance adjustment		%
Accrual adjustment – prior year	(23,150)	(1.5)%
Other		%
<b>Totals</b>	<b>\$ 261,422</b>	%
Federal and foreign income taxes incurred	(19,398)	(1.3)%
Realized capital gains (losses) tax		%
Change in net deferred income taxes	280,820	18.5%
<b>Total statutory income taxes</b>	<b>\$ 261,422</b>	<b>17.2%</b>

**E. Operating Loss Carry Forwards and Income Taxes Available for Recoupment**

1. The amounts, origination dates and expiration dates of operating loss and tax credit carry forwards available for tax purposes:

Description (Operating Loss or Tax Credit Carry Forward)	Amounts	Origination Dates	Expiration Dates
Operating Loss Carry Forward	\$2,982,206	January 1, 2012	December 31, 2032
Operating Loss Carry Forward	\$4,457,814	January 1, 2014	December 31, 2034

2. The following is income tax expense for current year and proceeding years that is available for recoupment in the event of future net losses:

Year	Amounts
	\$

3. The Company's aggregate amount of deposits admitted under Section 6603 of the Internal Revenue Service Code  
The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

**F. Consolidated Federal Income Tax Return**

1. The Company's federal income tax return is consolidated with the following entities:  
MOTORISTS MUTUAL INSURANCE COMPANY  
MICO INSURANCE COMPANY  
MOTORISTS SERVICE CORPORATION

2. The manner in which the Board of Directors sets forth for allocating the consolidated federal income tax:  
The method of allocation between the companies is subject to written agreement, approved by the Board of Directors. Allocation is based upon separate return calculations with current credit for net losses. Intercompany tax balances are settled annually when the federal income tax return is filed.

**G. Federal or Foreign Federal Income Tax Loss Contingencies:**

As of December 31, 2019, the Company had no unrecognized tax benefits.

**H. Repatriation Transition Tax (RTT) - RTT owed under the TCJA**

- 1a Has the entity fully remitted the RTT? N/A  
1b If yes, list the amount of the RTT paid.

**I. Alternative Minimum Tax Credit**

Was the AMT Credit recognized as a current year recoverable or Deferred Tax Asset (DTA)? CURRENT  
Gross AMT Credit Recognized as:

1a Current year recoverable	\$12,621
1b Deferred tax asset (DTA)	
2 Beginning Balance of AMT Credit Carryforward	12,621
3 Amounts Recovered	12,621
4 Adjustments	
5 Ending Balance of AMT Credit Carryforward (5=2-3-4)	
6 Reduction for Sequestration	
7 Nonadmitted by Reporting Entity	
8 Reporting Entity Ending Balance (8=5-6-7)	\$

**Note 10 – Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties****A. Nature of the Relationship Involved**

The Company is a member of an affiliated group of companies and is party to various transactions and agreements with other members of the group. Primarily those transactions are composed of:

**B. Transactions**

Encova Service Corporation (formerly Motorists Service Corporation) has a balance of \$31 million from its parent through an intercompany loan agreement. The balances, which were both recorded by Motorists Mutual as non-admitted assets, were used to fund the subsidiary's development of software applications and services. Encova Service Corporation has also initiated charges \$4.5 million to Motorists Mutual for utilization of its developed software and other services.

**C. Dollar Amounts of Transactions**

See Note B.

**NOTES TO FINANCIAL STATEMENTS****D. Amounts Due From or To Related Parties**

As of December 31, 2019 and 2018, the Company reported net amounts due from/(due to) affiliates of \$(88,234) and \$(321,628) respectively. All amounts were settled within 60 days.

**E. Guarantees or Undertakings**

The Company had no guarantees or undertakings for the benefit of an affiliate or related party that resulted in a material contingency exposure to the Company or any related parties during the periods reported.

**F. Material Management or Service Contracts and Cost-Sharing Arrangements**

See Note A

**G. Nature of the Control Relationship**

As of December 31, 2019, all outstanding shares of the Company were owned by Motorists Mutual Insurance Company, an Ohio-based property/casualty insurer.

**H. Amount Deducted from the Value of Upstream Intermediate Entity or Ultimate Parent Owned**

The Company did not own any shares, directly or indirectly, of an upstream intermediate entity or ultimate parent during the periods reported.

**I. Investments in SCA that Exceed 10% of Admitted Assets**

The Company did not have any investments in subsidiary, controlled, or affiliated entities that exceed 10% of admitted assets during the periods reported.

**J. Investments in Impaired SCAs**

The Company did not recognize any impairment write-downs for investments in subsidiary, controlled, or affiliated entities during the periods reported.

**K. Investment in Foreign Insurance Subsidiary**

The Company did not have any investments in foreign insurance subsidiaries during the periods reported.

**L. Investment in Downstream Noninsurance Holding Company**

The Company did not have any investments in downstream non-insurance holding companies.

**M. All SCA Investments**

Not Applicable

**N. Investment in Insurance SCAs**

The Company did not hold any insurance SCA investments that departed from the NAIC statutory accounting practices and procedures.

**O. SCA or SSAP 48 Entity Loss Tracking**

Not Applicable

**Note 11 – Debt****A. Debt, Including Capital Notes**

Not Applicable

**B. FHLB (Federal Home Loan Bank) Agreements**

The Company did not have any Federal Home Loan Bank agreements in place during the periods reported.

**Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans****A. Defined Benefit Plan**

The Company participated in a defined benefit pension plan sponsored by its parent, Motorists Mutual Insurance Company ("Motorists"), until Motorists elected to freeze its defined pension and other non-qualified benefit plans effective December 31, 2017. See note 12 in the Notes to the Financial Statement for Motorists for additional information.

**B. Investment Policies and Strategies**

The Company participated in a defined benefit pension plan sponsored by its parent, Motorists Mutual Insurance Company ("Motorists"), until Motorists elected to freeze its defined pension and other non-qualified benefit plans effective December 31, 2017. See note 12 in the Notes to the Financial Statement for Motorists for additional information.

**NOTES TO FINANCIAL STATEMENTS****C. Fair Value of Plan Assets**

The Company participated in a defined benefit pension plan sponsored by its parent, Motorists Mutual Insurance Company ("Motorists"), until Motorists elected to freeze its defined pension and other non-qualified benefit plans effective December 31, 2017. See note 12 in the Notes to the Financial Statement for Motorists for additional information.

**D. Basis Used to Determine Expected Long-Term Rate-of-Return**

The Company participated in a defined benefit pension plan sponsored by its parent, Motorists Mutual Insurance Company ("Motorists"), until Motorists elected to freeze its defined pension and other non-qualified benefit plans effective December 31, 2017. See note 12 in the Notes to the Financial Statement for Motorists for additional information.

**E. Defined Contribution Plans**

The Company participates in an Incentive Savings Plan under Section 401(k) of the Internal Revenue Code sponsored by its parent, Motorists Mutual Insurance Company covering substantially all of its employees. The Plan matches employee contributions up to 7% of total eligible compensation. Employer contributions are immediately vested. See Note 12 in the Notes to the Financial Statements for Motorists for additional information. All of the expenses associated with this Plan are allocated to the Company via the cost allocation model. The Company also participates in two Non-qualified Supplemental Retirement Plans, sponsored by BrickStreet Insurance for selected employees. One plan provides for contributions at the Group's discretion on a yearly basis. The other was composed of a single contribution for selected employees. Employees vest at age 60 or when certain vesting events occur. The Company participates in a long term incentive deferred compensation plan, sponsored by BrickStreet Insurance that provides for deferred bonuses for selected executives and other employees. Employees are credit with deferred amounts when the Group hits certain targets and, if they remain with the Group for the required time periods, the amounts will be paid out. All of the expenses associated with the BrickStreet plans are allocated to the Company via the cost allocation model and the liabilities are held on the sponsor's books. See Note 12 in the Notes to the Financial Statements for BrickStreet for additional information.

**F. Multiemployer Plans**

Not Applicable

**G. Consolidated/Holding Company Plans**

Not Applicable

**H. Postemployment Benefits and Compensated Absences**

The Company generally has no obligations to current or former employees for benefits after their employment but before their retirement other than for compensation related to earned paid time off. The liability for earned but unused paid time off has been accrued.

**I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)****(1) Recognition of the Existence of the Act**

Not Applicable

**(2) Effects of the Subsidy in Measuring the Net Postretirement Benefit Cost**

Not Applicable

**(3) Disclosure of Gross Benefit Payments**

Not Applicable

**Note 13 – Capital and Surplus, Shareholder's Dividend Restrictions and Quasi-Reorganizations****(1) Number of Share and Par or State Value of Each Class**

As of December 31, 2019, the Company had 1,000 shares authorized and 1,000 \$3,000 shares issued and outstanding.

**(2) Dividend Rate, Liquidation Value and Redemption Schedule of Preferred Stock Issues**

Not Applicable

**(3) Dividend Restrictions**

Without prior approval of its domiciliary commissioner, dividends to shareholders are limited by the laws of the Company's state of incorporation, Ohio, to \$2,899,723, an amount that is based on restrictions relating to statutory surplus.

**(4) Dates and Amounts of Dividends Paid**

Not Applicable

**(5) Profits that may be Paid as Ordinary Dividends to Stockholders**

Within the limitations of (3) above, there are not any restrictions placed on the portion of Company profits that may be paid as ordinary dividends to shareholders.

**(6) Restrictions Placed on Unassigned Funds (Surplus)**

There are no restrictions placed on the Company's surplus, including for whom the surplus is being held. See description of ADC arrangement and permitted practice in Note 1A.

**NOTES TO FINANCIAL STATEMENTS**

- (7) Amount of Advances to Surplus not Repaid  
Not Applicable
- (8) Amount of Stock Held for Special Purposes  
Not Applicable.
- (9) Reasons for Changes in Balance of Special Surplus Funds from Prior Period  
Not Applicable
- (10) The Portion of Unassigned Funds (Surplus) Represented or Reduced by Unrealized Gains and Losses is: \$592,790.
- (11) The Reporting Entity Issued the Following Surplus Debentures or Similar Obligations  
Not Applicable
- (12) The impact of any restatement due to prior quasi-reorganizations is as follows  
Not Applicable.
- (13) Effective Date of Quasi-Reorganization for a Period of Ten Years Following Reorganization  
Information concerning quasi-reorganization is not applicable.

**Note 14 – Liabilities, Contingencies and Assessments**

- A. Contingent Commitments  
Not Applicable.
- B. Assessments  
2) Assessments  
The Company is subject to guaranty fund and other assessments by the states in which it conducts business. Guaranty fund assessments are accrued upon notification of the insolvency. Other assessments are recognized 1) when assessed by a state, 2) when premiums are written for premium-based assessments, or 3) when losses are incurred for loss based assessments. Incurred assessments are subject to the intercompany pooling arrangement described in Note 26. The Company's net paid guaranty fund assessments totaled \$3,839.46 and \$7,925.99 for the years ended December 31, 2019, and 2018, respectively. The Company's net accrued liabilities for guaranty funds were \$50,361.40 and \$31,501 as of December 31, 2019 and 2018, respectively. Per the accounting practices and procedures prescribed by the Company's state of domicile, receivables for premium tax credits are not reflected in the accompanying financial statements.
- C. Gain Contingencies  
Not Applicable.
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits  
Not Applicable.
- E. Product Warranties  
Not Applicable.
- F. Joint and Several Liabilities  
Not Applicable.
- G. All Other Contingencies  
Not Applicable.

**Note 15 – Leases**

- A. Lessee Operating Lease  
(1) Lessee's Leasing Arrangements  
a. Rental Expense  
The company leases computer-related equipment under various operating lease arrangements and entered into various agreements for information technology-related services through December 2024. The expenses for the years ended December 31, 2019 and 2018 were \$58,933 and \$212,460, respectively.

**NOTES TO FINANCIAL STATEMENTS**

## (2) Leases with Initial or Remaining Noncancelable Lease Terms in Excess of One Year

- a. At December 31, 2019 the minimum aggregate rental commitments are as follows:

Year Ending December 31	Operating Leases
1. 2020	\$ 35,393
2. 2021	\$ 35,000
3. 2022	\$ 35,000
4. 2023	\$ 35,000
5. 2024	\$ 35,000
6. Total	\$ 175,393

## B. Lessor Leases

Not Applicable

**Note 16 – Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk**

Not Applicable

**Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

Not Applicable

**Note 18 – Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**

Not Applicable

**Note 19 – Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

The company did not write any direct premiums through managing general agents or third party administrators during the periods reported.

**Note 20 – Fair Value Measurements**

## A. Fair Value Measurements

## (1) Fair Value Measurements at Reporting Date

Inputs Used for Assets and Liabilities Measured and Reported at Fair Value

SSAP No. 100, Fair Value Measurements, clarifies the definition of estimated fair value and establishes a hierarchy for measuring estimated fair value. The hierarchy established by this standard consists of three levels to indicate the quality of the estimated fair value measurements as described below:

Level 1 - Quoted Prices in Active Markets for Identical Assets and Liabilities: Unadjusted quoted prices for identical assets or liabilities in active markets that are readily and regularly obtainable.

Level 2 - Significant Other Observable Inputs: Quoted prices in markets that are not active or inputs that are observable either directly or indirectly. These inputs can include quoted prices for similar but not identical assets or liabilities other than quoted prices in Level 1.

Level 3 - Significant Unobservable Inputs: Unobservable inputs that are supported by little or no market activity and are significant to the determination of estimated fair value of assets or liabilities. Unobservable inputs reflect the entity's assumptions about the assumptions that market participants would use in pricing the asset or liability.

Description for Each Type of Asset or Liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
<b>Assets at Fair Value</b>					
Common Stocks, unaffiliated	\$ 12,471,944	\$	\$	\$	\$ 12,471,944
Total	\$ 12,471,944	\$	\$	\$	\$ 12,471,944
<b>Liabilities at Fair Value</b>					
	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred between Levels 1 and 2. This policy also applies to transfers into or out of Level 3. The Company had no transfers into or out of any of the levels during the period reported.

## (2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

Description	Beginning Balance at 1/1/2019	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (Losses) Included in Net Income	Total Gains and (Losses) Included in Surplus	Purchases	Issuances	Sales	Settlem-ents	Ending Balance at 12/31/2019
a. Assets	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
b. Liabilities	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

**NOTES TO FINANCIAL STATEMENTS**

## (3) Policies when Transfers Between Levels are Recognized

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred between Levels 1 and 2. This policy also applies to transfers into or out of Level 3. The Company had no transfers into or out of any of the levels during the period reported.

## (4) Description of Valuation Techniques and Inputs Used in Fair Value Measurement

Not Applicable

## (5) Fair Value Disclosures

Not Applicable

## B. Fair Value Reporting under SSAP 100 and Other Accounting Pronouncements

Not Applicable

## C. Fair Value Level

The following tables reflect the estimated fair values and admitted values of all admitted assets and liabilities that are financial instruments excluding those accounted for under the equity method (subsidiaries, joint ventures and ventures). The estimated fair values are categorized into the three-level fair value hierarchy as described above.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$ 55,572,615	\$ 53,869,995	\$ -	\$ 55,572,615	\$ -	\$	\$
Common Stocks, unaffiliated	\$ 12,471,944	\$ 12,471,944	\$ 12,471,944	\$ -	\$ -	\$	\$

## Bonds and Common Stocks

When available, the estimated fair values for bonds, including loan-backed and structured securities, and unaffiliated common stocks are based on quoted prices in active markets that are readily and regularly obtainable. Generally, these investments are classified in Level 1. Generally, these are the most liquid of the Company's securities holdings and valuation of these securities does not involve management's judgment.

When quoted prices in active markets are not available, the determination of estimated fair value is based on market standard valuation methodologies, giving priority to observable inputs. The significant inputs to the market standard valuation methodologies for certain types of securities with reasonable levels of price transparency are inputs that are observable in the market or can be derived principally from or corroborated by observable market data. Generally, these investments are classified as Level 2.

When observable inputs are not available, the market standard valuation methodologies for determining the estimated fair value of certain types of securities that trade infrequently, and therefore have little or no price transparency, rely on inputs that are significant to the estimated fair value that are not observable in the market or cannot be derived principally from or corroborated by observable market data. These unobservable inputs can be based in large part on management's judgment or estimation, and cannot be supported by reference or market activity. Even though these inputs are unobservable, management believes they are consistent with what other market participants would use when pricing such securities and are considered appropriate given the circumstances. Generally, these investments are classified as Level 3.

## D. Not Practicable to Estimate Fair Value

Not Applicable

## E. NAV Practical Expedient Investments

Not Applicable

**Note 21 – Other Items**

## A. Unusual or Infrequent Items

Not Applicable

## B. Troubled Debt Restructuring Debtors

The Company did not have any transactions related to troubled debt restructuring during the periods reported.

## C. Other Disclosures

The Company elected to use rounding in the reporting of amounts in this statement.

## D. Business Interruption Insurance Recoveries

There were no business interruption insurance recoveries received during the periods reported.

## E. State Transferable and Non-Transferable Tax Credits

## (1) Carrying Value of Transferable and Non-Transferable State Tax Credits Gross of any Related Tax Liabilities and Total Unused Transferable and Non-Transferable State Tax Credits by State and in Total

Not Applicable

## (2) Method of Estimating Utilization of Remaining Transferable and Non-Transferable State Tax Credits

Not Applicable

**NOTES TO FINANCIAL STATEMENTS**

## (3) Impairment Loss

Not Applicable

## (4) State Tax Credits Admitted and Nonadmitted

Not Applicable

## F. Subprime Mortgage-Related Risk Exposure

## (1) Description of the Subprime-Mortgage-Related Exposure and Related Risk Management Policies

The definition of "subprime" is necessarily broad and intended to encompass both Alt-A and subprime. Corporate and equity securities (such as banks and investment banks), which may have underlying subprime exposure, are not included. The Company's categorization of CMBS reflects securities backed by commercial real estate. Therefore, these securities are not included in the reported figures.

The Company's portfolio managers monitor the collateral every month in order to determine whether the collateral pools have deteriorated. Credit support levels provide a basis for the deal tranches the Company owns. Anticipated lifetime losses are used to determine deal underperformance.

## (2) Direct Exposure Through Investments in Subprime Mortgage Loans

Not Applicable

## (3) Direct Exposure Through Other Investments

Not Applicable

## (4) Underwriting Exposure to Subprime Mortgage Risk Through Mortgage Guaranty or Financial Guaranty Insurance Coverage

Not Applicable

## G. Insurance-Linked Securities (ILS) Contracts

The Company was not the issuer, ceding insurer, or the counterparty of any insurance linked securities during the periods reported.

## H. The Amount that Could be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or has Otherwise Obtained Rights to Control the Policy

Not Applicable

**Note 22 – Events Subsequent**

The Company did not have any recognized subsequent events for the periods reported.

Subsequent events have been considered through February 29, 2020 for these statutory financial statements which are to be issued on March 1, 2020.

## A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?

Yes [ ] No [ X ]

		2019	2018
B.	ACA Fee Assessment Payable for the Upcoming Year	\$	\$
C.	ACA Fee Assessment Paid	\$	\$
D.	Premium Written Subject to ACA 9010 Assessment	\$	\$
E.	Total Adjusted Capital Before Surplus Adjustment (Five-Year Historical Line 28)	\$ 28,997,226	
F.	Total Adjusted Capital After Surplus Adjustment (Five-Year Historical Line 28 minus 22B above)	\$ 28,997,226	
G.	Authorized Control Level (Five-Year Historical Line 29)	\$ 3,641,458	

## H. Would reporting the ACA assessment as of December 31, 2019 have triggered an RBC action level (YES/NO)?

Yes [ ] No [ X ]

**Note 23 – Reinsurance**

## A. Unsecured Reinsurance Recoverables

	NAIC Group Code	FEIN	Unsecured Recoverables
Motorists Mutual Insurance Company	14621	31-4259550	\$ 15,686,542

## B. Reinsurance Recoverable in Dispute

Not Applicable

**NOTES TO FINANCIAL STATEMENTS**

## C. Reinsurance Assumed and Ceded

## (1) Maximum Amount of Return Commission

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	\$ 10,459,353	\$ 1,375,739	\$ 2,422,870	\$ 271,688	\$ 8,036,483	\$ 1,104,050
b. All Other						
c. Total	\$ 10,459,353	\$ 1,375,739	\$ 2,422,870	\$ 271,688	\$ 8,036,483	\$ 1,104,050
d. Direct Unearned Premium Reserves						\$ 2,422,870

## (2) Additional or Return Commission

	Direct	Assumed	Ceded	Net
a. Contingent commission	\$ 31,206	\$ 252,490	\$ 31,206	\$ 252,490
b. Sliding scale adjustments				
c. Other profit commission arrangements				
d. Total	\$ 31,206	\$ 252,490	\$ 31,206	\$ 252,490

## (3) Types of Risks Attributed to Protected Cell

Not Applicable

## D. Uncollectible Reinsurance

Not Applicable

## E. Commutation of Ceded Reinsurance

Not Applicable

## F. Retroactive Reinsurance

Not Applicable

## G. Reinsurance Accounted for as a Deposit

Not Applicable

## H. Disclosures for the Transfer of Property and Casualty Run-off Agreements

Not Applicable

## I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

Not Applicable

## J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

Not Applicable

**Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination**

## A. Method Used by Reporting Entity to Estimate Accrued Retrospective Premium Adjustments

Not Applicable

## B. Accrued Retrospective Premiums Recorded Through Written Premium or an Adjustment to Earned Premium

Not Applicable

## C. Amount of Net Premiums Written Subject to Retrospective Rating Features and Percentage to Total Net Premiums Written

Not Applicable

## D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act.

Not Applicable

## E. Nonadmitted Retrospective Premium

## (1) For Ten Percent (10%) Method of determining Nonadmitted Retrospective Premium

Not Applicable

## (2) For Quality Rating Method of Determining Nonadmitted Retrospective Premium

Not Applicable

## F. Risk-Sharing Provisions of the Affordable Care Act

Not Applicable

**NOTES TO FINANCIAL STATEMENTS**

- (1) Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk sharing provisions Yes [ ] No [ X ]
- (2) Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year:  
Not Applicable
- (3) Roll forward of prior year ACA Risk-Sharing Provisions for the Following Asset (Gross of any Nonadmission) and Liability Balances, Along with the Reasons for Adjustments to Prior Year Balance:  
Not Applicable
- (4) Roll-Forward of Risk Corridors Asset and Liability Balances by Program Benefit Year  
Not Applicable
- (5) ACA Risk Corridors Receivable as of Reporting Date  
Not Applicable

**Note 25 – Change in Incurred Losses and Loss Adjustment Expenses**

## A. Change in Incurred Losses and Loss Adjustment Expenses

Reserves for the company's incurred losses and loss adjustment expenses (after intercompany pooling) attributable to insured events of prior years reflect favorable development totaling \$2,746,882. The development can be attributed primarily to the re-estimation of unpaid losses and loss adjustment expenses in the workers' compensation, commercial multiple perils, private passenger auto liability, commercial auto liability, auto physical damage, and homeowners lines of business. The favorable development in these lines was slightly offset by losses in the other liability and products liability lines of business. The changes reflected in these lines were generally the result of recent development trends. There were not any premium adjustments made as a result of this loss and loss adjustment expense development.

## B. Information about Significant Changes in Methodologies and Assumptions

There have been no significant changes in methodologies and assumptions used in calculating the liability for unpaid loss and loss adjustment expense.

**Note 26 – Intercompany Pooling Arrangements**

## A. Identification of the Lead Entity and all Affiliated Entities Participating in the Intercompany Pool

	NAIC Company Code	Pooling Percentage
Lead Entity and all Affiliated Entities		
Motorists Mutual Insurance Company (Lead Entity)	14621	32.4%
BrickStreet Mutual Insurance Company	12372	48.0%
Motorists Commercial Mutual Insurance Company	13331	10.3%
Iowa Mutual Insurance Company	14338	1.7%
Wilson Mutual Insurance Company	19950	1.7%
Phenix Mutual Fire Insurance Company	23175	1.6%
PinnaclePoint Insurance Company	15137	0.8%
SummitPoint Insurance Company	15136	0.8%
Iowa American Insurance Company	31577	0.6%
MICO Insurance Company	40932	%
NorthStone Insurance Company	13045	%
AlleghenyPoint Insurance Company	13016	%

## B. Description of Lines and Types of Business Subject to the Pooling Agreement

The pooling arrangement covered premiums, losses and underwriting expenses for all lines during the year. Related finance and service charge income, agent and premium balance charge-offs, deficiency reserves, and policyholder dividends were also subject to the pooling arrangement.

## C. Description of Cessions to Non-Affiliated Reinsurance Subject to Pooling Agreement

Each Company recognized facultative and treaty reinsurance cessions with unaffiliated reinsurers prior to the administration of the intercompany pooling agreement.

## D. Identification of all Pool Members that are Parties to Reinsurance Agreements with Non-Affiliated Reinsurers

As the lead insurer, Motorists Mutual assumed all net premiums, losses, loss adjustment expenses, and underwriting expenses and then ceded each pool participant its share of the pool.

## E. Explanation of Discrepancies Between Entries of Pooled Business

There are no discrepancies between any entries regarding pooled business on the assumed and ceded reinsurance schedules of other pool participants.

## F. Description of Intercompany Sharing

Underwriting-related balance sheet items such as premiums receivable, installments, reinsurance assumed premium receivables and loss payables, reinsurance ceded premium payables and loss receivables, general expense receivables and payables, funds held balances, advanced premiums, and outstanding drafts were also pooled.

**NOTES TO FINANCIAL STATEMENTS****G. Amounts Due To/From Lead Entity and all Affiliated Entities Participating in the Intercompany Pool**

As of December 31, 2019, the Company reported an aggregate pooling-related balance of \$394,248 receivable from the other pool participants.

**Note 27 – Structured Settlements**

The Company has not purchased any annuities for structured settlements under which the claimant is the payee, but for which the company is contingently liable.

**Note 28 – Health Care Receivables**

Not Applicable

**Note 29 – Participating Policies**

Not Applicable

**Note 30 – Premium Deficiency Reserves**

As of December 31, 2019 the Company reported no premium deficiency reserves.

- |   |                        |
|---|------------------------|
| 1. Liability carried for premium deficiency reserve:              | <u>\$0</u>             |
| 2. Date of most recent evaluation of this liability:              | <u>January 3, 2020</u> |
| 3. Was anticipated investment income utilized in the calculation? | Yes [ X ]    No [ ]    |

**Note 31 – High Deductibles**

Not Applicable

**Note 32 – Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses**

Not Applicable

**Note 33 – Asbestos/Environmental Reserves**

**A. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to asbestos losses? Yes**

Yes. The company had exposure to asbestos losses during the periods reported. Direct exposure arose from the sale of general liability business. The company also had exposure through its unaffiliated reinsurance assumed operations and an intercompany pooling arrangement (reference Note 26). The company estimates the impact of its direct exposure by establishing case reserves on all known losses and by computing IBNR losses based on previous experience. The company relies on case and IBNR reserves established by the Excess Casualty Reinsurance Association and the Mutual Reinsurance Bureau to measure its exposure from unaffiliated reinsurance assumed operations:

**(1) Direct**

	2015	2016	2017	2018	2019
a. Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 256,609	\$ 239,765	\$ 234,816	\$ 222,015	\$ 192,249
b. Incurred losses and loss adjustment expense	11,468	29,129	10,906	(14,776)	70,400
c. Calendar year payments for losses and loss adjustment expenses	28,312	34,078	23,707	14,990	12,368
d. Ending reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 239,765	\$ 234,816	\$ 222,015	\$ 192,249	\$ 250,281

**(2) Assumed Reinsurance**

	2015	2016	2017	2018	2019
a. Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 53,997	\$ 51,379	\$ 46,179	\$ 69,213	\$ 67,035
b. Incurred losses and loss adjustment expense	(10)	241	28,578	(14)	1,264
c. Calendar year payments for losses and loss adjustment expenses	2,608	5,441	5,544	2,164	2,376
d. Ending reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 51,379	\$ 46,179	\$ 69,213	\$ 67,035	\$ 65,923

**NOTES TO FINANCIAL STATEMENTS**

## (3) Net of Ceded Reinsurance

	2015	2016	2017	2018	2019
a. Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 307,172	\$ 290,687	\$ 280,716	\$ 290,690	\$ 258,657
b. Incurred losses and loss adjustment expense	11,627	29,488	39,196	(14,976)	70,997
c. Calendar year payments for losses and loss adjustment expenses	28,112	39,459	29,222	17,057	14,802
d. Ending reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 290,687	\$ 280,716	\$ 290,690	\$ 258,657	\$ 314,852

B. State the amount of the ending reserves for Bulk + IBNR included in A (Loss and LAE)

(1) Direct basis	\$ 217,332
(2) Assumed reinsurance basis	51,753
(3) Net of ceded reinsurance basis	\$ 267,894

C. State the amount of the ending reserves for loss adjustment expenses included in A (Case, Bulk + IBNR)

(1) Direct basis	\$ 31,181
(2) Assumed reinsurance basis	3,380
(3) Net of ceded reinsurance basis	\$ 33,966

D. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to environmental losses? Yes

Yes. The Company had exposure to environmental losses during the periods reported. Direct exposure arose from the sale of general liability, commercial auto liability, and homeowners business. The Company also had exposure through its unaffiliated reinsurance assumed operations and an intercompany pooling arrangement (reference Note 26). The Company estimates the impact of its direct exposure by establishing case reserves on all known losses and by computing IBNR losses based on previous experience. The Company relies on case and IBNR reserves established by the Excess Casualty Reinsurance Association and the Mutual Reinsurance Bureau to measure its exposure from unaffiliated reinsurance assumed operations.

## (1) Direct

	2015	2016	2017	2018	2019
a. Beginning reserves	\$ 88,807	\$ 95,403	\$ 91,950	\$ 105,666	\$ 82,143
b. Incurred losses and loss adjustment expense	11,556	5,042	21,952	(13,911)	(4,098)
c. Calendar year payments for losses and loss adjustment expenses	4,960	8,495	8,236	9,612	4,450
d. Ending reserves	\$ 95,403	\$ 91,950	\$ 105,666	\$ 82,143	\$ 73,595

## (2) Assumed Reinsurance

	2015	2016	2017	2018	2019
a. Beginning reserves	\$ 10,686	\$ 6,357	\$ 6,181	\$ 10,172	\$ 14,800
b. Incurred losses and loss adjustment expense	(2,237)	696	5,264	5,745	26
c. Calendar year payments for losses and loss adjustment expenses	2,092	872	1,273	1,117	1,018
d. Ending reserves	\$ 6,357	\$ 6,181	\$ 10,172	\$ 14,800	\$ 13,808

## (3) Net of Ceded Reinsurance

	2015	2016	2017	2018	2019
a. Beginning reserves	\$ 96,737	\$ 100,471	\$ 97,333	\$ 112,366	\$ 90,187
b. Incurred losses and loss adjustment expense	10,865	5,950	23,875	(11,613)	(3,068)
c. Calendar year payments for losses and loss adjustment expenses	7,131	9,088	8,842	10,566	5,926
d. Ending reserves	\$ 100,471	\$ 97,333	\$ 112,366	\$ 90,187	\$ 81,193

E. State the amount of the ending reserves for Bulk + IBNR included in D (Loss and LAE)

(1) Direct basis	\$ 59,294
(2) Assumed reinsurance basis	10,032
(3) Net of ceded reinsurance basis	\$ 63,861

F. State the amount of the ending reserves for loss adjustment expenses included in D (Case, Bulk + IBNR)

(1) Direct basis	\$ 23,764
(2) Assumed reinsurance basis	4,192
(3) Net of ceded reinsurance basis	\$ 25,223

**Note 34 – Subscriber Savings Accounts**

Not Applicable

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## **NOTES TO FINANCIAL STATEMENTS**

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**Note 35 – Multiple Peril Crop Insurance**

Not Applicable

**Note 36 – Financial Guaranty Insurance**

Not Applicable

**GENERAL INTERROGATORIES****PART 1 - COMMON INTERROGATORIES****GENERAL**

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No [ ]  
If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [ ] N/A [ ]
- 1.3 State regulating? OHIO
- 1.4 Is the reporting entity publicly traded or a member of publicly traded group? Yes [ ] No [X]
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [X] No [ ]  
06/18/2019
- 2.2 If yes, date of change: 12/31/2018
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2017
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2017
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 05/29/2019
- 3.4 By what department or departments? Tennessee Department of Commerce and Insurance
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes [X] No [ ] N/A [ ]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [ ] N/A [ ]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [ ] No [X]  
4.12 renewals? Yes [ ] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [ ] No [X]  
4.22 renewals? Yes [ ] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]  
If the answer is YES, complete and file the merger history data file with the NAIC.
- 5.2 If yes, provide the name of entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.
- | 1              | 2<br>NAIC<br>Company<br>Code | 3<br>State of<br>Domicile |
|----------------|------------------------------|---------------------------|
| Name of Entity |                              |                           |
- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control %
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).
- | 1<br>Nationality | 2<br>Type of Entity |
|------------------|---------------------|
|                  |                     |
- 8.1 Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board? Yes [ ] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]
- 8.4 If the response to 8.3 is yes, please provide below the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.
- | 1<br>Affiliate Name | 2<br>Location (City, State) | 3<br>FRB | 4<br>OCC | 5<br>FDIC | 6<br>SEC |
|---------------------|-----------------------------|----------|----------|-----------|----------|
|                     |                             |          |          |           |          |
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit? KPMG LLP 191 W. Nationwide Blvd., Suite 500, Columbus OH 43215
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [ ] No [X]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [X]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:

## GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

- |                           |   |  |   |             |  |
|---------------------------|---|--|---|-------------|--|
| 10.5                      | Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?  | Yes [X]  | No [ ]  | N/A [ ]     |  |
| 10.6                      | If the response to 10.5 is no or n/a, please explain:   |  |   |             |  |
| 11.                       | What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?   | <u>Derek A. Jones, FCAS, MAAA, Milliman, One Pennsylvania Plaza, 38th Floor, New York, NY 10119, who is a consulting actuary for the Motorists Mutual Insurance Group.</u> |   |             |  |
| 12.1                      | Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?   | Yes [ ]  | No [X]  |             |  |
| 12.11                     | Name of real estate holding company   |  |   |             |  |
| 12.12                     | Number of parcels involved  | <u>0</u>   |   |             |  |
| 12.13                     | Total book/adjusted carrying value  | <u>\$ 0</u>  |   |             |  |
| 12.2                      | If yes, provide explanation   |  |   |             |  |
| 13.                       | <b>FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:</b>   |  |   |             |  |
| 13.1                      | What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?   |  |   |             |  |
| 13.2                      | Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?  | Yes [ ]  | No [ ]  |             |  |
| 13.3                      | Have there been any changes made to any of the trust indentures during the year?  | Yes [ ]  | No [ ]  |             |  |
| 13.4                      | If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?  | Yes [ ]  | No [ ]  | N/A [ ]     |  |
| 14.1                      | Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?  | Yes [X]  | No [ ]  |             |  |
| 14.11                     | (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;   |  |   |             |  |
| 14.11                     | (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  |  |   |             |  |
| 14.11                     | (c) Compliance with applicable governmental laws, rules and regulations;  |  |   |             |  |
| 14.11                     | (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and   |  |   |             |  |
| 14.11                     | (e) Accountability for adherence to the code.   |  |   |             |  |
| 14.11                     | If the response to 14.1 is no, please explain:  |  |   |             |  |
| 14.2                      | Has the code of ethics for senior managers been amended?  | Yes [ ]  | No [X]  |             |  |
| 14.21                     | If the response to 14.2 is yes, provide information related to amendment(s).  |  |   |             |  |
| 14.3                      | Have any provisions of the code of ethics been waived for any of the specified officers?  | Yes [ ]  | No [X]  |             |  |
| 14.31                     | If the response to 14.3 is yes, provide the nature of any waiver(s).  |  |   |             |  |
| 15.1                      | Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?  | Yes [ ]  | No [X]  |             |  |
| 15.2                      | If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.  |  |   |             |  |
|                           | 1<br>American Bankers Association (ABA)<br>Routing Number   | 2<br>Issuing or Confirming Bank Name   | 3<br>Circumstances That Can Trigger<br>the Letter of Credit | 4<br>Amount |  |
|                           |   |  |   | \$          |  |
| <b>BOARD OF DIRECTORS</b> |   |  |   |             |  |
| 16.                       | Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinator committee thereof?  | Yes [X]  | No [ ]  |             |  |
| 17.                       | Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?   | Yes [X]  | No [ ]  |             |  |
| 18.                       | Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? | Yes [X]  | No [ ]  |             |  |
| <b>FINANCIAL</b>          |   |  |   |             |  |
| 19.                       | Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?   | Yes [ ]  | No [X]  |             |  |
| 20.1                      | Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):  |  |   |             |  |
| 20.11                     | To directors or other officers  | \$   | 0   |             |  |
| 20.12                     | To stockholders not officers  | \$   | 0   |             |  |
| 20.13                     | Trustees, supreme or grand (Fraternal only)   | \$   | 0   |             |  |
| 20.2                      | Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):   |  |   |             |  |
| 20.21                     | To directors or other officers  | \$   | 0   |             |  |
| 20.22                     | To stockholders not officers  | \$   | 0   |             |  |
| 20.23                     | Trustees, supreme or grand (Fraternal only)   | \$   | 0   |             |  |
| 21.1                      | Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?  | Yes [ ]  | No [X]  |             |  |
| 21.2                      | If yes, state the amount thereof at December 31 of the current year:  |  |   |             |  |
| 21.21                     | Rented from others  | \$   | 0   |             |  |
| 21.22                     | Borrowed from others  | \$   | 0   |             |  |
| 21.23                     | Leased from others  | \$   | 0   |             |  |
| 21.24                     | Other   | \$   | 0   |             |  |
| 22.1                      | Does this statement include payments for assessments as described in the <i>Annual Statement Instructions</i> other than guaranty fund or guaranty association assessments?   | Yes [ ]  | No [X]  |             |  |
| 22.2                      | If answer is yes:   |  |   |             |  |
| 22.21                     | Amount paid as losses or risk adjustment  | \$   | 0   |             |  |
| 22.22                     | Amount paid as expenses   | \$   | 0   |             |  |
| 22.23                     | Other amounts paid  | \$   | 0   |             |  |
| 23.1                      | Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?   | Yes [X]  | No [ ]  |             |  |

**GENERAL INTERROGATORIES****PART 1 - COMMON INTERROGATORIES**

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$ 1,075

**INVESTMENT**

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)? Yes [X] No [ ]
- 24.02 If no, give full and complete information, relating thereto:
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).

- 24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the *Risk-Based Capital Instructions*? Yes [ ] No [ ] N/A [X]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ 0
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs \$ 0
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] N/A [X]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] N/A [X]
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [ ] No [ ] N/A [X]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0
- 24.103 Total payable for securities lending reported on the liability page: \$ 0

- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.) Yes [X] No [ ]

25.2 If yes, state the amount thereof at December 31 of the current year:

- 25.21 Subject to repurchase agreements \$ 0
- 25.22 Subject to reverse repurchase agreements \$ 0
- 25.23 Subject to dollar repurchase agreements \$ 0
- 25.24 Subject to reverse dollar repurchase agreements \$ 0
- 25.25 Placed under option agreements \$ 0
- 25.26 Letter stock or securities restricted as sale – excluding FHLB Capital Stock \$ 0
- 25.27 FHLB Capital Stock \$ 0
- 25.28 On deposit with states \$ 6,726,284
- 25.29 On deposit with other regulatory bodies \$ 0
- 25.30 Pledged as collateral – excluding collateral pledged to an FHLB \$ 0
- 25.31 Pledged as collateral to FHLB – including assets backing funding agreements \$ 0
- 25.32 Other \$ 0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		\$

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [X]

- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ] N/A [X]
- If no, attach a description with this statement.

**Lines 26.3 through 26.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:**

- 26.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity? Yes [ ] No [ ]
- 26.4 If the response to 26.3 is yes, does the reporting entity utilize:
- 26.41 Special accounting provision of SSAP No. 108 Yes [ ] No [ ]
- 26.42 Permitted accounting practice Yes [ ] No [ ]
- 26.43 Other accounting guidance Yes [ ] No [ ]
- 26.5 By responding yes to 26.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following: Yes [ ] No [ ]
- The reporting entity has obtained explicit approval from the domiciliary state.
  - Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
  - Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guidance Conditional Tail Expectation Amount.
  - Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [ ] No [X]

27.2 If yes, state the amount thereof at December 31 of the current year: \$ 0

28. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [X] No [ ]28.01 For agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
BNY Mellon	500 Grant Street One Mellon Center, Suite #1035, Pittsburgh, PA 15258

28.02 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation

**GENERAL INTERROGATORIES****PART 1 - COMMON INTERROGATORIES**

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [ ] No [X]

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

28.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts", "... handle securities"].

1 Name of Firm or Individual	2 Affiliation
Chickasaw Capital Management, LLC.	U
New England Asset Management, Inc.	U
Northern Trust Investments, Inc.	U

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's invested assets? Yes [X] No [ ]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets? Yes [X] No [ ]

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1	2	3	4	5
Central Registration Depository Number	Name of Firm or Individual	Legal Entity Identifier (LEI)	Registered With	Investment Management Agreement (IMA) Filed
127398	Chickasaw Capital Management, LLC.		Sec	No
105900	New England Asset Management, Inc.	KUR85E5PS4GQFZTFC130	Sec	No
105780	Northern Trust Investments, Inc	BEL4B8X7EHJU845Y2N39	Sec	No

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes [X] No [ ]

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
04314H 85 7	Artisan Intl Val Fund 1	\$ 2,246,695
04314H 66 7	Artisan Intl Val ADV	\$ 2,241,765
464287 65 5	ISHARES Russ 2000 ETF	\$ 437,203
29.2999 TOTAL		\$ 4,925,662

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
Artisan Intl Val Fund 1	Samsung Electronics Co Ltd	\$ 132,780	12/31/2019
Artisan Intl Val Fund 1	Arch Capital Group Ltd	\$ 118,625	12/31/2019
Artisan Intl Val Fund 1	BlackRock Liquidity Funds T-Fund Institutional	\$ 107,617	12/31/2019
Artisan Intl Val Fund 1	Compass Group PLC	\$ 106,493	12/31/2019
Artisan Intl Val Fund 1	Federal Treasury Obligations Fund Insti Shs	\$ 104,471	12/31/2019
Artisan Intl Val ADV	Samsung Electronics Co Ltd	\$ 132,488	12/31/2019
Artisan Intl Val ADV	Arch Capital Group Ltd.	\$ 118,365	12/31/2019
Artisan Intl Val ADV	BlackRock Liquidity Funds T-Fund Institutional	\$ 107,381	12/31/2019
Artisan Intl Val ADV	Compass Group PLC	\$ 106,260	12/31/2019
Artisan Intl Val ADV	Federated Treasury Obligations Fund Insti Shs	\$ 104,242	12/31/2019
ISHARES Russ 2000 ETF	Novocure Ltd	\$ 1,705	12/31/2019
ISHARES Russ 2000 ETF	Arrowhead Pharmaceuticals Corp.	\$ 1,443	12/31/2019
ISHARES Russ 2000 ETF	Medicines Co ORD	\$ 1,355	12/31/2019
ISHARES Russ 2000 ETF	Haemonetics Corp.	\$ 1,312	12/31/2019
ISHARES Russ 2000 ETF	Generac Holdings Inc.	\$ 1,093	12/31/2019

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	\$ 53,869,995	\$ 55,572,615	\$ 1,702,620
30.2	\$ 0	\$ 0	\$ 0
30.3	\$ 53,869,995	\$ 55,572,615	\$ 1,702,620

30.4 Describe the sources or methods utilized in determining the fair values:

**GENERAL INTERROGATORIES****PART 1 - COMMON INTERROGATORIES**

The Fair Value of securities is determined using quoted market prices when available, external pricing service, SVO pricing, fair values available from custodians or investment managers.

- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [X] No [ ]
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [X] No [ ]
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D: \_\_\_\_\_
- 32.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes [X] No [ ]
- 32.2 If no, list exceptions: \_\_\_\_\_
33. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designation 5GI security:
- Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
  - Issuer or obligor is current on all contracted interest and principal payments.
  - The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
- Has the reporting entity self-designated 5GI securities? Yes [ ] No [X]
34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:
- The security was purchased prior to January 1, 2018.
  - The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
  - The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as an NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
  - The reporting entity is not permitted to share this credit rating of the PL security with the SVO.
- Has the reporting entity self-designated PLGI securities? Yes [ ] No [X]
35. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:
- The shares were purchased prior to January 1, 2019.
  - The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
  - The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
  - The fund only or predominantly holds bonds in its portfolio.
  - The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
  - The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.
- Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? Yes [ ] No [X]

**OTHER**

- 36.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 197,654
- 36.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.
- | 1<br>Name                      | 2<br>Amount Paid |
|--------------------------------|------------------|
| INSURANCE SERVICES OFFICE, INC | \$ 197,654       |

- 37.1 Amount of payments for legal expenses, if any? \$ 0
- 37.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.
- | 1<br>Name | 2<br>Amount Paid |
|-----------|------------------|
|           | \$               |

- 38.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 0
- 38.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.
- | 1<br>Name | 2<br>Amount Paid |
|-----------|------------------|
|           | \$               |

**GENERAL INTERROGATORIES****PART 2 – PROPERTY & CASUALTY INTERROGATORIES**

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?	Yes [ ]	No [ X ]
1.2	If yes, indicate premium earned on U.S. business only.	\$	0
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?	\$	0
1.31	Reason for excluding:		
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.	\$	0
1.5	Indicate total incurred claims on all Medicare Supplement insurance.	\$	0
1.6	Individual policies:		
	Most current three years:		
1.61	Total premium earned	\$	0
1.62	Total incurred claims	\$	0
1.63	Number of covered lives		0
	All years prior to most current three years:		
1.64	Total premium earned	\$	0
1.65	Total incurred claims	\$	0
1.66	Number of covered lives		0
1.7	Group policies:		
	Most current three years:		
1.71	Total premium earned	\$	0
1.72	Total incurred claims	\$	0
1.73	Number of covered lives		0
	All years prior to most current three years:		
1.74	Total premium earned	\$	0
1.75	Total incurred claims	\$	0
1.76	Number of covered lives		0
2.	Health Test:		
		1 Current Year	2 Prior Year
2.1	Premium Numerator	\$ 6	\$ 10
2.2	Premium Denominator	\$ 22,600,554	\$ 22,822,218
2.3	Premium Ratio (2.1/2.2)	0.0%	0.0%
2.4	Reserve Numerator	\$ (61)	\$ (61)
2.5	Reserve Denominator	\$ 50,420,348	\$ 49,714,521
2.6	Reserve Ratio (2.4/2.5)	0.0%	0.0%
3.1	Does the reporting entity issue both participating and non-participating policies?	Yes [ ]	No [ X ]
3.2	If yes, state the amount of calendar year premiums written on:		
3.21	Participating policies	\$	0
3.22	Non-participating policies	\$	0
4.	FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:		
4.1	Does the reporting entity issue assessable policies?	Yes [ ]	No [ ]
4.2	Does the reporting entity issue non-assessable policies?	Yes [ ]	No [ ]
4.3	If assessable policies are issued, what is the extent of the contingent liability of the policyholders?		%
4.4	Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.	\$	0
5.	FOR RECIPROCAL EXCHANGES ONLY:		
5.1	Does the exchange appoint local agents?	Yes [ ]	No [ ]
5.2	If yes, is the commission paid:		
5.21	Out of Attorney's-in-fact compensation	Yes [ ]	No [ ]
5.22	As a direct expense of the exchange	Yes [ ]	N/A [ ]
5.3	What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?	Yes [ ]	No [ ]
5.4	Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?	Yes [ ]	No [ ]
5.5	If yes, give full information:		
6.1	What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?		
	<u>Those Companies that concentrate in the Workers Compensation business, and which the Company has exposure to through the inter company pooling arrangement purchase catastrophic reinsurance at levels that are deemed adequate to protect against excessive loss. In addition Losses arising from claims under the federal black lung programs for dates of injury prior to 2016 are subject to ADC arrangement related to black lung claims. In addition, a single location, where excessive concentration of potential losses have been identified, arise are subject to facultative reinsurance above the layers contained in the catastrophic policies.</u>		
6.2	Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:		
	<u>The Lead Company to in the pooling arrangement performs a concentration of risk study using mapping software to determine the probable maximum insurance loss. Management Solutions (RMS) RiskLink and AIR Touchstone catastrophe models. Analysis is performed for the perils of hurricane, severe convective storm, winter storm, and earthquake. The PML driver on low return periods (~20 years) is severe convective storm. Starting around the 150 year return period, hurricane becomes the largest driver of the PML. The highest concentration of exposure (total insured value) is in Ohio. Ohio also has the highest gross average annual loss (Gross AAL). 8 of the top 10 counties for exposure are in Ohio. The other two counties are in Kentucky and Pennsylvania. 6 of the top 10 counties for Gross AAL are in Ohio. The other counties are in Nebraska, Kentucky, Minnesota, and Iowa. The Encova Mutual Insurance Group (Formerly Motorists Insurance Group) utilizes JLT Re's CATography tool to analyze and manage. The Group to which this Company is a party through its pooling arrangement, works with reinsurance brokers to assist in developing maximum probable losses. Both Property and Casualty exposures are analyzed for probably maximum loss and including various scenarios.</u>		

**GENERAL INTERROGATORIES****PART 2 – PROPERTY & CASUALTY INTERROGATORIES**

- 6.3 What provision has this reporting entity made (such as catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?  
The Company purchases catastrophic reinsurance at levels that are deemed adequate to protect against excessive loss.
- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [  ] No [  ]
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss:
- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [  ] No [  ]  
0
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions.
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [  ] No [  ]
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [  ] No [  ]
- 8.2 If yes, give full information
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:  
Yes [  ] No [  ]
- (a) A contract term longer than two years and the contract is noncancelable by the reporting entity during the contract term;
  - (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
  - (c) Aggregate stop loss reinsurance coverage;
  - (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
  - (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
  - (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity?
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:  
Yes [  ] No [  ]
- (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
  - (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:  
Yes [  ] No [  ]
- (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
  - (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
  - (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 37 of SSAP No. 62R, *Property and Casualty Reinsurance*, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:  
Yes [  ] No [  ]
- (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
  - (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP. Yes [  ] No [  ]
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:  
Yes [  ] No [  ]
- (a) The entity does not utilize reinsurance; or,
  - (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or
  - (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [  ] No [  ] N/A [  ]
- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force?  
Yes [  ] No [  ]
- 11.2 If yes, give full information
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:  
Yes [  ] No [  ] N/A [  ]
- |   |  |
|---|--|
| 12.11 Unpaid losses   | \$ <input style="width: 100px; border: 1px solid black;" type="text"/> 0 |
| 12.12 Unpaid underwriting expenses (including loss adjustment expenses) | \$ <input style="width: 100px; border: 1px solid black;" type="text"/> 0 |
- 12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds? Yes [  ] No [  ] N/A [  ]
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?  
Yes [  ] No [  ] N/A [  ]
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:  
Yes [  ] No [  ] N/A [  ]
- |            |   |
|------------|---|
| 12.41 From | % <input style="width: 100px; border: 1px solid black;" type="text"/> 0 |
| 12.42 To   | % <input style="width: 100px; border: 1px solid black;" type="text"/> 0 |

**GENERAL INTERROGATORIES****PART 2 – PROPERTY & CASUALTY INTERROGATORIES**

- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?  Yes [ ]  No [ X ]
- 12.6 If yes, state the amount thereof at December 31 of current year:
- |  |           |
|--|-----------|
| 12.6.1 Letters of Credit   | \$ 0      |
| 12.6.2 Collateral and other funds  | \$ 0      |
| 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): | \$ 42,000 |
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?  Yes [ ]  No [ X ]
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.  2
- 14.1 Is the reporting entity a cedant in a multiple cedant reinsurance contract?  Yes [ X ]  No [ ]
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:  
Premiums are allocated to cedant based on experience weighted earned premiums subject to the contract. Reinsurance recoveries are distributed based on each cedant's share of the aggregate losses subject to the contract.
- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?  Yes [ ]  No [ X ]
- 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?  Yes [ X ]  No [ ]
- 14.5 If the answer to 14.4 is no, please explain:
- 15.1 Has the reporting entity guaranteed any financed premium accounts?  Yes [ ]  No [ X ]
- 15.2 If yes, give full information
- 16.1 Does the reporting entity write any warranty business?  Yes [ ]  No [ X ]
- If yes, disclose the following information for each of the following types of warranty coverage:
- |                  | 1<br>Direct Losses<br>Incurred | 2<br>Direct Losses<br>Unpaid | 3<br>Direct Written<br>Premium | 4<br>Direct Premium<br>Unearned | 5<br>Direct Premium<br>Earned |
|------------------|--------------------------------|------------------------------|--------------------------------|---------------------------------|-------------------------------|
| 16.11 Home       | \$ 0                           | \$ 0                         | \$ 0                           | \$ 0                            | \$ 0                          |
| 16.12 Products   | \$ 0                           | \$ 0                         | \$ 0                           | \$ 0                            | \$ 0                          |
| 16.13 Automobile | \$ 0                           | \$ 0                         | \$ 0                           | \$ 0                            | \$ 0                          |
| 16.14 Other*     | \$ 0                           | \$ 0                         | \$ 0                           | \$ 0                            | \$ 0                          |
- \* Disclose type of coverage:
- 17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that is exempt from the statutory provision for unauthorized reinsurance?  Yes [ ]  No [ X ]
- Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from the statutory provision for unauthorized reinsurance. Provide the following information for this exemption:
- |  |      |
|--|------|
| 17.11 Gross amount of unauthorized reinsurance in Schedule F-Part 3 exempt from the statutory provision for unauthorized reinsurance | \$ 0 |
| 17.12 Unfunded portion of Interrogatory 17.11  | \$ 0 |
| 17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11  | \$ 0 |
| 17.14 Case reserves portion of Interrogatory 17.11   | \$ 0 |
| 17.15 Incurred but not reported portion of Interrogatory 17.11   | \$ 0 |
| 17.16 Unearned premium portion of Interrogatory 17.11  | \$ 0 |
| 17.17 Contingent commission portion of Interrogatory 17.11   | \$ 0 |
- 18.1 Do you act as a custodian for health savings accounts?  Yes [ ]  No [ X ]
- 18.2 If yes, please provide the amount of custodial funds held as of the reporting date.  \$ 0
- 18.3 Do you act as an administrator for health savings accounts?  Yes [ ]  No [ X ]
- 18.4 If yes, please provide the balance of the funds administered as of the reporting date.  \$ 0
19. Is the reporting entity licensed or charted, registered, qualified, eligible, or writing business in at least 2 states?  Yes [ X ]  No [ ]
- 19.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity?  Yes [ ]  No [ ]

**FIVE-YEAR HISTORICAL DATA**

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.

	1 2019	2 2018	3 2017	4 2016	5 2015
<b>Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 &amp; 3)</b>					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	19,174,001	25,168,514	22,068,120	23,485,128	27,145,428
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	6,241,162	9,243,212	14,350,111	15,236,465	18,011,227
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	4,824,676	3,356,231	6,074,677	6,028,629	6,191,780
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	13,982	16,996	34,787	33,907	31,633
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	283,466	170,050	218,179	228,343	222,038
6. Total (Line 35).....	30,537,288	37,955,003	42,745,874	45,012,472	51,602,106
<b>Net Premiums Written (Page 8, Part 1B, Col. 6)</b>					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	15,263,041	17,207,435	10,676,308	10,491,072	10,374,533
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	2,947,020	2,651,491	4,811,282	4,661,414	4,705,280
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	4,440,573	3,105,966	5,926,489	6,015,702	6,191,217
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	13,982	16,996	34,787	33,907	31,633
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	283,466	170,050	218,179	228,343	222,038
12. Total (Line 35).....	22,948,082	23,151,937	21,667,045	21,430,438	21,524,701
<b>Statement of Income (Page 4)</b>					
13. Net underwriting gain (loss) (Line 8).....	(461,631)	(205,268)	(5,602,303)	(506,292)	(378,656)
14. Net investment gain (loss) (Line 11).....	1,992,074	1,391,228	964,628	781,174	652,447
15. Total other income (Line 15).....	37,425	35,261	76,380	103,055	170,698
16. Dividends to policyholders (Line 17).....	58,870	142,598	120,911	100,993	117,937
17. Federal and foreign income taxes incurred (Line 19).....	(17,597)	526,248	(2,093,907)	(490,932)	(376,032)
18. Net income (Line 20).....	1,526,595	552,375	(2,588,299)	767,876	702,584
<b>Balance Sheet Lines (Pages 2 and 3)</b>					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	85,571,551	82,547,983	65,712,185	71,581,071	70,719,931
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	1,985,698	1,765,420	1,536,158	1,812,059	1,744,248
20.2 Deferred and not yet due (Line 15.2).....	1,372,869	3,125,959	5,455,693	6,598,968	7,606,575
20.3 Accrued retrospective premiums (Line 15.3).....					
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	56,574,324	57,719,038	39,509,800	39,108,424	39,752,931
22. Losses (Page 3, Line 1).....	33,131,404	32,457,995	14,816,685	12,658,508	12,535,889
23. Loss adjustment expenses (Page 3, Line 3).....	5,778,686	5,901,460	3,713,191	3,165,882	3,092,816
24. Unearned premiums (Page 3, Line 9).....	10,459,353	10,111,825	9,782,105	9,782,960	9,852,442
25. Capital paid up (Page 3, Lines 30 & 31).....	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
26. Surplus as regards policyholders (Page 3, Line 37).....	28,997,226	24,828,946	26,202,385	32,472,646	30,967,001
<b>Cash Flow (Page 5)</b>					
27. Net cash from operations (Line 11).....	2,262,224	22,097,698	2,345,542	(1,119,998)	2,829,525
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital.....	28,997,226	24,828,946	26,202,385	32,472,646	30,967,001
29. Authorized control level risk-based capital.....	3,641,458	3,407,469	3,102,175	2,438,173	2,376,163
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b>					
(Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1).....	73.9	77.4	66.1	92.0	92.0
31. Stocks (Lines 2.1 & 2.2).....	17.1	14.6	23.8		
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....					
33. Real estate (Lines 4.1, 4.2 & 4.3).....					
34. Cash, cash equivalents and short-term investments (Line 5).....	6.7	5.9	6.5	8.0	8.0
35. Contract loans (Line 6).....					
36. Derivatives (Line 7).....					
37. Other invested assets (Line 8).....	2.2	.21	.36		
38. Receivables for securities (Line 9).....		.00	.01	.00	
39. Securities lending reinvested collateral assets (Line 10).....					
40. Aggregate write-ins for invested assets (Line 11).....					
41. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....					
45. Affiliated short-term investments					
(subtotals included in Schedule DA, Verification, Column 5, Line 10).....					
46. Affiliated mortgage loans on real estate.....					
47. All other affiliated.....					
48. Total of above lines 42 to 47.....	0	.0	.0	0	0
49. Total investment in parent included in Lines 42 to 47 above.....					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0).....	0.0				

**FIVE-YEAR HISTORICAL DATA**

(Continued)

	1 2019	2 2018	3 2017	4 2016	5 2015
<b>Capital and Surplus Accounts (Page 4)</b>					
51. Net unrealized capital gains (losses) (Line 24).....	1,894,399	.....(1,654,341)	.....352,732	.....4,340	.....(4,340)
52. Dividends to stockholders (Line 35).....					
53. Change in surplus as regards policyholders for the year (Line 38).....	4,168,280	.....(1,373,439)	.....(6,270,262)	.....1,505,646	.....636,818
<b>Gross Losses Paid (Page 9, Part 2, Cols. 1 &amp; 2)</b>					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	13,889,286	.....(2,279,057)	.....16,457,449	.....19,418,254	.....22,236,245
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	3,410,881	.....5,512,119	.....7,541,406	.....7,483,454	.....10,360,472
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	2,414,547	.....2,508,614	.....3,806,596	.....3,040,347	.....3,261,400
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	.....6,342	.....18,885	.....7,909	.....20,993	.....5,095
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	166,419	.....332,039	.....152,802	.....187,501	.....124,459
59. Total (Line 35).....	19,887,474	.....6,092,601	.....27,966,162	.....30,150,549	.....35,987,671
<b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	7,257,992	.....(9,897,494)	.....5,579,753	.....5,463,607	.....4,914,111
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	1,747,282	.....1,847,981	.....2,686,521	.....2,445,290	.....2,597,324
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	2,350,489	.....2,455,919	.....3,779,921	.....3,040,347	.....3,261,400
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	.....6,342	.....18,885	.....7,909	.....20,993	.....5,095
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	166,419	.....332,039	.....152,802	.....187,501	.....124,459
65. Total (Line 35).....	11,528,524	.....(5,242,668)	.....12,206,906	.....11,157,738	.....10,902,389
<b>Operating Percentages (Page 4)</b> (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1).....	100.0	.....100.0	.....100.0	.....100.0	.....100.0
67. Losses incurred (Line 2).....	54.0	.....54.3	.....66.3	.....52.5	.....51.7
68. Loss expenses incurred (Line 3).....	15.1	.....13.9	.....17.2	.....11.6	.....12.7
69. Other underwriting expenses incurred (Line 4).....	33.0	.....32.7	.....42.4	.....38.2	.....37.3
70. Net underwriting gain (loss) (Line 8).....	.....(2.0)	.....(0.9)	.....(25.9)	.....(2.4)	.....(1.7)
<b>Other Percentages</b>					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....	32.3	.....32.0	.....42.0	.....37.9	.....36.7
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	69.0	.....68.2	.....83.5	.....64.1	.....64.4
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35, divided by Page 3, Line 37, Col. 1 x 100.0).....	79.1	.....93.2	.....82.7	.....66.0	.....69.5
<b>One Year Loss Development (\$000 omitted)</b>					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	.....(1,495)	.....(2,892)	.....1,227	.....(159)	.....(612)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year-end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100).....	.....(6.0)	.....(11.0)	.....3.8	.....(0.5)	.....(2.0)
<b>Two Year Loss Development (\$000 omitted)</b>					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....	.....(4,962)	.....(3,256)	.....490	.....(404)	.....(1,088)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior-year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0).....	.....(18.9)	.....(10.0)	.....1.6	.....(1.3)	.....(5.4)

If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, *Accounting Changes and Correction of Errors*?

Yes  No 

If no, please explain:

## SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

## SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported-Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)		
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
1. Prior.....	....XXX.....	....XXX.....	....XXX.....	.....271	.....67	.....32	.....6	.....28	.....1	.....6	.....257	....XXX.....	
2. 2010.....	....18,295	.....1,064	....17,231	....9,918	....466	....940	....82	....1,470	....33	....196	....11,747	....XXX.....	
3. 2011.....	....17,766	.....1,272	....16,494	....10,550	....986	....881	....107	....1,502	....57	....176	....11,783	....XXX.....	
4. 2012.....	....18,222	.....1,665	....16,556	....9,972	....960	....1,052	....167	....1,541	....78	....187	....11,359	....XXX.....	
5. 2013.....	....19,868	.....2,054	....17,815	....10,404	....1,277	....1,153	....222	....1,628	....95	....179	....11,592	....XXX.....	
6. 2014.....	....20,955	.....2,510	....18,445	....10,509	....1,156	....1,188	....262	....1,603	....112	....203	....11,770	....XXX.....	
7. 2015.....	....20,499	.....3,078	....17,421	....9,708	....1,453	....1,100	....242	....1,483	....106	....182	....10,489	....XXX.....	
8. 2016.....	....24,414	.....2,639	....21,775	....10,571	....828	....957	....131	....1,969	....112	....400	....12,427	....XXX.....	
9. 2017.....	....24,877	.....1,631	....23,246	....10,593	....559	....750	....34	....2,054	....98	....369	....12,706	....XXX.....	
10. 2018.....	....23,400	.....578	....22,822	....8,402	....128	....484	....0	....1,667	....0	....344	....10,426	....XXX.....	
11. 2019.....	....23,210	.....609	....22,601	....5,781	....145	....469		....1,660	....0	....154	....7,765	....XXX.....	
12. Totals.....	....XXX.....	....XXX.....	....XXX.....	....96,681	....8,025	....9,006	....1,254	....16,605	....692	....2,397	....112,322	....XXX.....	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded			
1. Prior.....	....3,354	....578	....2,296	....347	.....0		....198	....77	....182	....0		....5,027	....XXX.....
2. 2010.....	....419	....10	....347	....57			....31	....11	....35	....0		....755	....XXX.....
3. 2011.....	....368	....31	....361	....80			....41	....15	....32	....0		....675	....XXX.....
4. 2012.....	....834	....37	....362	....209	....0		....65	....36	....76	....(0)		....1,057	....XXX.....
5. 2013.....	....1,060	....46	....594	....223	....4		....116	....54	....88	....(1)		....1,542	....XXX.....
6. 2014.....	....1,065	....154	....1,098	....317	....1		....163	....181	....167	....9		....1,833	....XXX.....
7. 2015.....	....1,172	....87	....1,068	....194	....1		....161	....52	....246	....(4)		....2,319	....XXX.....
8. 2016.....	....1,123	....40	....1,411	....89	....2		....280	....(3)	....133	....(3)		....2,826	....XXX.....
9. 2017.....	....1,750	....82	....2,395	....14	....2		....682		....165			....4,899	....XXX.....
10. 2018.....	....2,633	....54	....3,435	....35	....1		....1,199		....233			....7,412	....XXX.....
11. 2019.....	....4,026	....212	....4,912	....56	....0		....1,334		....563			....10,566	....XXX.....
12. Totals.....	....17,804	....1,332	....18,280	....1,621	....12	....0	....4,269	....422	....1,921	....2	....0	....38,910	....XXX.....

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1. Prior..	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....			....XXX.....	....4,725	....302
2. 2010.....	....13,161	....659	....12,502	....71.9	....61.9	....72.6				....700	....55
3. 2011.....	....13,735	....1,277	....12,459	....77.3	....100.4	....75.5				....618	....58
4. 2012.....	....13,903	....1,487	....12,416	....76.3	....89.3	....75.0				....950	....107
5. 2013.....	....15,048	....1,915	....13,133	....75.7	....93.2	....73.7				....1,386	....156
6. 2014.....	....15,793	....2,190	....13,603	....75.4	....87.3	....73.7				....1,692	....141
7. 2015.....	....14,939	....2,130	....12,809	....72.9	....69.2	....73.5				....1,959	....360
8. 2016.....	....16,447	....1,194	....15,253	....67.4	....45.2	....70.0				....2,405	....420
9. 2017.....	....18,392	....788	....17,604	....73.9	....48.3	....75.7				....4,049	....850
10. 2018.....	....18,055	....218	....17,837	....77.2	....37.6	....78.2				....5,979	....1,433
11. 2019.....	....18,745	....414	....18,331	....80.8	....67.9	....81.1				....8,669	....1,897
12. Totals.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....0	....0	....XXX.....	....33,131	....5,779

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of

Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements, which will reconcile Part 1 with Parts 2 and 4.

**SCHEDULE P - PART 2 - SUMMARY**

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										DEVELOPMENT	
	1 2010	2 2011	3 2012	4 2013	5 2014	6 2015	7 2016	8 2017	9 2018	10 2019	11 One Year	12 Two Year
1. Prior....	21,095	19,455	18,416	17,426	16,869	15,480	15,012	13,683	14,021	13,519	(502)	(164)
2. 2010....	12,802	12,606	12,381	12,233	11,880	11,588	11,452	11,252	11,277	11,030	(247)	(222)
3. 2011....	XXX....	12,438	12,087	12,179	11,897	11,611	11,328	11,148	11,144	10,981	(163)	(167)
4. 2012....	XXX....	XXX....	11,705	11,477	11,167	11,129	10,928	10,802	10,820	10,876	56	74
5. 2013....	XXX....	XXX....	XXX....	12,241	12,221	12,115	11,874	11,681	11,509	11,511	2	(170)
6. 2014....	XXX....	XXX....	XXX....	XXX....	12,430	12,555	12,461	12,265	11,942	11,954	13	(311)
7. 2015....	XXX....	XXX....	XXX....	XXX....	XXX....	11,949	11,876	11,736	11,418	11,182	(236)	(554)
8. 2016....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	14,214	14,588	13,759	13,260	(499)	(1,328)
9. 2017....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	17,604	15,978	15,483	(495)	(2,121)
10. 2018....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	15,362	15,937	576	XXX....
11. 2019....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	16,108	XXX....	XXX....
										12. Totals....	(1,495)	(4,962)

**SCHEDULE P - PART 3 - SUMMARY**

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2010	2 2011	3 2012	4 2013	5 2014	6 2015	7 2016	8 2017	9 2018	10 2019		
1. Prior....	000....	2,921	5,047	6,173	6,972	7,424	7,823	8,147	8,443	8,673	XXX....	XXX....
2. 2010....	4,727	7,424	8,561	9,299	9,705	9,914	10,091	10,221	10,282	10,311	XXX....	XXX....
3. 2011....	XXX....	5,017	7,575	8,644	9,384	9,763	10,028	10,165	10,272	10,338	XXX....	XXX....
4. 2012....	XXX....	XXX....	4,065	6,721	7,936	8,659	9,217	9,513	9,686	9,896	XXX....	XXX....
5. 2013....	XXX....	XXX....	XXX....	4,116	6,812	8,147	9,044	9,550	9,828	10,058	XXX....	XXX....
6. 2014....	XXX....	XXX....	XXX....	XXX....	4,468	7,250	8,561	9,492	10,002	10,279	XXX....	XXX....
7. 2015....	XXX....	XXX....	XXX....	XXX....	XXX....	3,947	6,495	7,863	8,622	9,112	XXX....	XXX....
8. 2016....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	5,441	8,353	9,839	10,570	XXX....	XXX....
9. 2017....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	6,261	9,463	10,749	XXX....	XXX....
10. 2018....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	5,592	8,759	XXX....	XXX....
11. 2019....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	6,105	XXX....	XXX....

**SCHEDULE P - PART 4 - SUMMARY**

Years in Which Losses Were Incurred	Bulk and IBNR Reserves on Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)									
	1 2010	2 2011	3 2012	4 2013	5 2014	6 2015	7 2016	8 2017	9 2018	10 2019
1. Prior....	13,681	10,938	8,986	7,220	6,382	4,848	4,088	2,561	2,735	2,070
2. 2010....	4,307	3,060	2,221	1,766	1,331	1,015	785	538	544	310
3. 2011....	XXX....	4,613	2,798	2,128	1,555	1,205	784	527	465	307
4. 2012....	XXX....	XXX....	4,250	2,660	1,527	1,249	778	430	229	182
5. 2013....	XXX....	XXX....	XXX....	4,557	2,669	1,947	1,306	856	591	434
6. 2014....	XXX....	XXX....	XXX....	XXX....	4,351	2,964	1,983	1,416	908	763
7. 2015....	XXX....	XXX....	XXX....	XXX....	XXX....	4,613	3,305	2,183	1,572	984
8. 2016....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	4,962	3,458	2,409	1,605
9. 2017....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	6,740	4,011	3,063
10. 2018....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	5,652	4,599
11. 2019....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	6,190

**CONSUMERS INSURANCE USA, INC.**  
**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Allocated by States and Territories

States, Etc.	1 Active Status (a)	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....	AL	.....L.....	64,339	.....137,217	.....	753,738	.....1,136,756	.....1,291,260	.....2,165
2. Alaska.....	AK	.....N.....		.....	.....	.....	.....	.....	.....
3. Arizona.....	AZ	.....L.....		.....	.....	.....	.....	.....	.....
4. Arkansas.....	AR	.....L.....	528,891	.....1,045,225	.....	713,185	.....129,543	.....1,267,148	.....17,900
5. California.....	CA	.....N.....		.....	.....	.....	.....	.....	.....
6. Colorado.....	CO	.....L.....		.....	.....	.....	.....	.....	.....
7. Connecticut.....	CT	.....N.....		.....	.....	.....	.....	.....	.....
8. Delaware.....	DE	.....N.....		.....	.....	.....	.....	.....	.....
9. District of Columbia.....	DC	.....N.....		.....	.....	.....	.....	.....	.....
10. Florida.....	FL	.....L.....		.....	.....	.....	.....	.....	.....
11. Georgia.....	GA	.....L.....		.....	.....	.....	.....	.....	.....
12. Hawaii.....	HI	.....N.....		.....	.....	.....	.....	.....	.....
13. Idaho.....	ID	.....L.....		.....	.....	.....	.....	.....	.....
14. Illinois.....	IL	.....L.....	223,877	.....398,280	.....	1,697,238	.....1,935,177	.....2,256,853	.....12,722
15. Indiana.....	IN	.....L.....	30,140	.....134,553	.....	22,307	.....(375,954)	.....613,872	.....2,311
16. Iowa.....	IA	.....L.....		.....	.....	.....	.....	.....	.....
17. Kansas.....	KS	.....N.....		.....	.....	.....	.....	.....	.....
18. Kentucky.....	KY	.....L.....		.....	.....	.....	.....	.....	.....
19. Louisiana.....	LA	.....N.....		.....	.....	.....	.....	.....	.....
20. Maine.....	ME	.....N.....		.....	.....	.....	.....	.....	.....
21. Maryland.....	MD	.....N.....		.....	.....	.....	.....	.....	.....
22. Massachusetts.....	MA	.....N.....		.....	.....	.....	.....	.....	.....
23. Michigan.....	MI	.....N.....		.....	.....	.....	.....	.....	.....
24. Minnesota.....	MN	.....N.....		.....	.....	.....	.....	.....	.....
25. Mississippi.....	MS	.....L.....		.....	.....	.....	.....	.....	.....
26. Missouri.....	MO	.....L.....	664,008	.....1,581,746	.....	1,456,788	.....835,027	.....2,027,886	.....45,021
27. Montana.....	MT	.....N.....		.....	.....	.....	.....	.....	.....
28. Nebraska.....	NE	.....N.....		.....	.....	.....	.....	.....	.....
29. Nevada.....	NV	.....N.....		.....	.....	.....	.....	.....	.....
30. New Hampshire.....	NH	.....N.....		.....	.....	.....	.....	.....	.....
31. New Jersey.....	NJ	.....N.....		.....	.....	.....	.....	.....	.....
32. New Mexico.....	NM	.....N.....		.....	.....	.....	.....	.....	.....
33. New York.....	NY	.....N.....		.....	.....	.....	.....	.....	.....
34. North Carolina.....	NC	.....L.....		.....	.....	.....	.....	.....	.....
35. North Dakota.....	ND	.....N.....		.....	.....	.....	.....	.....	.....
36. Ohio.....	OH	.....L.....		.....	.....	.....	.....	.....	.....
37. Oklahoma.....	OK	.....N.....		.....	.....	.....	.....	.....	.....
38. Oregon.....	OR	.....L.....		.....	.....	.....	.....	.....	.....
39. Pennsylvania.....	PA	.....N.....		.....	.....	.....	.....	.....	.....
40. Rhode Island.....	RI	.....N.....		.....	.....	.....	.....	.....	.....
41. South Carolina.....	SC	.....L.....		.....	.....	.....	.....	.....	.....
42. South Dakota.....	SD	.....N.....		.....	.....	.....	.....	.....	.....
43. Tennessee.....	TN	.....L.....	5,009,991	.....5,607,362	.....	3,271,253	.....2,219,801	.....3,180,725	.....128,188
44. Texas.....	TX	.....N.....		.....	.....	.....	.....	.....	.....
45. Utah.....	UT	.....L.....		.....	.....	.....	.....	.....	.....
46. Vermont.....	VT	.....N.....		.....	.....	.....	.....	.....	.....
47. Virginia.....	VA	.....L.....	1,067,960	.....1,298,223	.....	444,442	.....745,014	.....1,091,513	.....32,022
48. Washington.....	WA	.....L.....		.....	.....	.....	.....	.....	.....
49. West Virginia.....	WV	.....N.....		.....	.....	.....	.....	.....	.....
50. Wisconsin.....	WI	.....N.....		.....	.....	.....	.....	.....	.....
51. Wyoming.....	WY	.....N.....		.....	.....	.....	.....	.....	.....
52. American Samoa.....	AS	.....N.....		.....	.....	.....	.....	.....	.....
53. Guam.....	GU	.....N.....		.....	.....	.....	.....	.....	.....
54. Puerto Rico.....	PR	.....N.....		.....	.....	.....	.....	.....	.....
55. US Virgin Islands.....	VI	.....N.....		.....	.....	.....	.....	.....	.....
56. Northern Mariana Islands.....	MP	.....N.....		.....	.....	.....	.....	.....	.....
57. Canada.....	CAN	.....N.....		.....	.....	.....	.....	.....	.....
58. Aggregate Other Alien.....	OT	XXX	.....0	.....0	.....0	.....0	.....0	.....0	.....0
59. Totals.....		XXX	7,589,206	10,202,605	.....0	8,358,950	6,625,364	11,729,257	240,329

## DETAILS OF WRITE-INS

58001.....	XXX	.....	.....	.....	.....	.....	.....	.....	.....
58002.....	XXX	.....	.....	.....	.....	.....	.....	.....	.....
58003.....	XXX	.....	.....	.....	.....	.....	.....	.....	.....
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)	XXX	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0

(a) Active Status Counts:

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....21

E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - See DSLI).....0

D - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write surplus lines in the state of domicile.....0

(b) Explanation of Basis of Allocation of Premiums by States, etc.

Premiums are assigned to state based on the following methods:

1) the location of the risk for lines 1, 4, 9, and 12

2) the location of the insured's operation for line 17

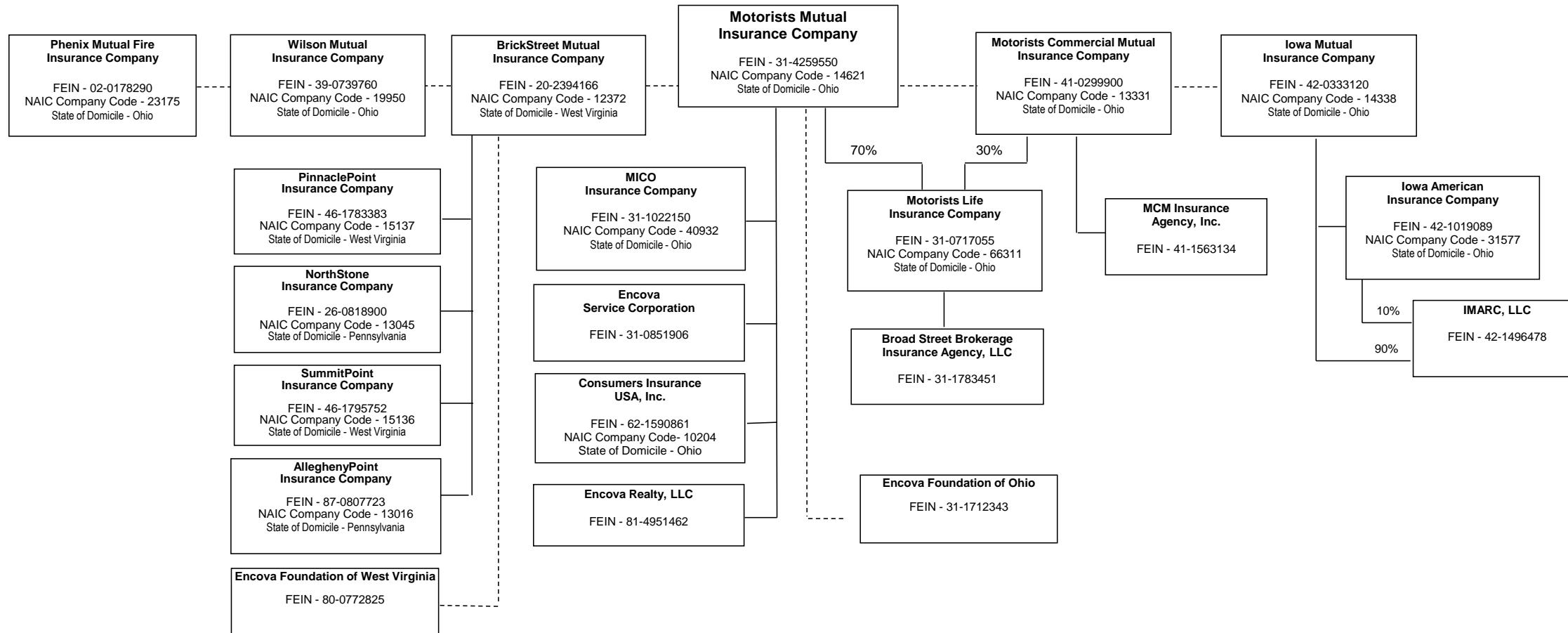
3) the principal garaging location for lines 19 and 21

R - Registered - Non-domiciled RRGs.....0

Q - Qualified - Qualified or accredited reinsurer.....0

N - None of the above - Not allowed to write business in the state.....36

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 - ORGANIZATIONAL CHART**



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